



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

Council Meeting Agenda

Thursday, 13 June 2024

9.00am

Council Chambers,
28-32 Ruataniwha Street, Waipawa

Together we thrive! E ora ngātahi ana!

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- 1 **WELCOME/ KARAKIA/ NOTICES**
- 2 **APOLOGIES**
- 3 **DECLARATIONS OF CONFLICTS OF INTEREST**
- 4 **STANDING ORDERS**

RECOMMENDATION

That the following standing orders are suspended for the duration of the meeting:

- **21.2** Time limits on speakers
- **21.5** Members may speak only once
- **21.6** Limits on number of speakers

And that Option C under section 22 *General Procedures for Speaking and Moving Motions* be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

5 CONFIRMATION OF MINUTES

Ordinary Council Meeting – 18 April 2024.

Three Year Plan 2024-2027 Submissions Hearing Council meeting – 22 May 2024.

Ordinary Council Meeting – 23 May 2024.

Three Year Plan 2024-2027 Deliberations Council Meeting – 30 May 2024.

RECOMMENDATION

That the following minutes as circulated, be confirmed as true and correct:

1. Ordinary Council Meeting – 18 April 2024.
2. Three Year Plan 2024-2027 Submissions Hearing Council meeting – 22 May 2024.
3. Ordinary Council Meeting – 23 May 2024.
4. Three Year Plan 2024-2027 Deliberations Council Meeting – 30 May 2024.

**MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL
COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON THURSDAY, 18 APRIL 2024 AT 9.00AM**

UNCONFIRMED

PRESENT: Mayor Alex Walker
Deputy Mayor Kelly Annand
Cr Pip Burne
Cr Jerry Greer
Cr Gerard Minehan
Cr Brent Muggeridge
Cr Kate Taylor

IN ATTENDANCE: Doug Tate (Chief Executive)
Dennise Elers (Group Manager Community Partnerships)
Dylan Muggeridge (Group Manager Strategic Planning & Development)
Phillip Stroud (Acting Group Manager Community Infrastructure and Development)

Sarah Crysell (Communications & Engagement Manager)
Sam Broughton (LGNZ President) *(online)*
Susan Freeman (LGNZ) *(online)*
Riley Kupa (Recovery Manager)
Debbie Northe (Community Connections Manager)
Annelie Roets (Governance Lead)

1 KARAKIA

Her Worship, The Mayor Alex Walker welcomed everyone to the meeting and opened with a karakia.

2 APOLOGIES

RESOLVED: 24.1

Moved: Cr Jerry Greer
Seconded: Cr Kate Taylor

That apologies from Cr Tim Aitken and Cr Exham Wichman be received and accepted.

CARRIED

3 DECLARATIONS OF CONFLICTS OF INTEREST

There were no Declarations of Conflicts of Interest declared.

4 STANDING ORDERS

RESOLVED: 24.2

Moved: Deputy Mayor Kelly Annand
Seconded: Cr Kate Taylor

That the following standing orders are suspended for the duration of the meeting:

- 21.2 Time limits on speakers

- 21.5 Members may speak only once
- 21.6 Limits on number of speakers

And that Option C under section 21 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

CARRIED

5 CONFIRMATION OF MINUTES

RESOLVED: 24.3

Moved: Cr Gerard Minehan

Seconded: Cr Pip Burne

That the minutes of the Extraordinary Council Meeting held on 10 April 2024 as circulated, be confirmed as true and correct.

CARRIED

Correction: As Cr Tim Aitken was noted as an apology, that the “attendance list” on the front page be amended to reflect this.

6 REPORTS FROM COMMITTEES

No reports.

7 REPORT SECTION

7.1 RESOLUTION MONITORING REPORT

PURPOSE

The purpose of this report is to present to Council the Resolution Monitoring Report. This report seeks to ensure Council has visibility over work that is progressing, following resolutions from Council.

RESOLVED: 24.4

Moved: Cr Kate Taylor

Seconded: Cr Jerry Greer

That the report be noted.

CARRIED

The report was introduced by Doug Tate which was taken as read.

7.2 CYCLONE GABRIELLE - RECOVERY UPDATE

PURPOSE

The purpose of this report is to provide a bi-monthly formal update on progress on the recovery from Cyclone Gabrielle against the key four priorities and issues identified for the district through its Tamatea – Central Hawke’s Bay Cyclone Gabrielle Recovery and Resilience Plan.

RESOLVED: 24.5

Moved: Cr Gerard Minehan

Seconded: Cr Kate Taylor

That the report be noted.

CARRIED

Riley Kupa and Debbie Northe introduced the report which was taken as read, however gave brief update on 2 specific projects namely (1) Porangahau and (2) Community Well-being and Resilience.

Porangahau:

- A meeting has been confirmed for Monday, 22 April at Rongomaraeroa marae, specifically to discuss the proposed flood mitigation scheme and categorisation process.
- There is a lack of flood protection on the southern side of the river – an opportunity to discuss those issues further with marae specifically and a wider community meeting is planned for 30 April.

Community Well-being and Resilience:

- A key focus for the recovery team has been community preparedness and resilience, more specifically the development of community resilience plans as well as the establishing of community emergency hubs.
- Conversations ongoing with community in how to be better prepared for future events.
- 15 Emergency hubs have been identified in Central Hawke's Bay, including 3 marae.
- The Paul Hunter Centre confirmed as a dedicated hub for our disabled community.

Roading Recovery:

- On 9 April CHBDC has received confirmation from Waka Kotahi that an additional \$9.5m has been granted for emergency response funding.
- These funds needs to be spent before end June 2024.
- Officers are rapidly working to plan and procure contractors to be able to spend the \$9.5m before end of June 2024.
- To date the team has procured around \$8.7m to specific sites/tasks. There are two procurement items in Public Excluded session today for consideration specifically around the construction contract on one specific site and the other items is for the procurement of professional services with our consultant partners, Stantec.
- Ben Swinburne gave an update on the Stormwater activities.

7.3 REPORTS FROM JOINT COMMITTEES JANUARY - MARCH 2024

PURPOSE

This report presents the minutes of the following Joint Committee for Council's noting:

1. 15 March 2024 – Regional Transport Committee minutes.
2. 25 March 2024 – Hawke's Bay CDEM Group Joint Committee minutes.

RESOLVED: 24.6

Moved: Cr Pip Burne

Seconded: Cr Brent Muggeridge

That:

1. **The Minutes from the Regional Transport Committee held on 15 March 2024 be received.**
2. **The Minutes from the Hawke's Bay CDEM Group Joint Committee held on 25 March 2024 be received.**

CARRIED

7.4 RISK AND ASSURANCE COMMITTEE RISK REPORT TO COUNCIL**PURPOSE**

The purpose of this report is to provide visibility to Council of active risks that officers have reported to the Risk & Assurance Committee, that have trending outside of the risk appetite of Council for two quarters or more.

RESOLVED: 24.7

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Kate Taylor

That the report be noted.

CARRIED

The report was introduced by Nicola Bousfield who gave a brief overview and risks trending outside of the risk appetite of Council. Discussions noted:

- This is the first report to Council reporting on the top risks identified that were also presented to the R&A Committee earlier.
- One of the outcomes from the Risk Maturity review was "how to report risks to the council".
- The risks identified are typical risks trending outside of the risk appetite for two quarters or more to report up to the Council table.
- Ms Bousfield explained each risk identified and gave a brief overview on the current status of each risk.

7.6 LOCAL GOVERNMENT NEW ZEALAND (LGNZ) FOUR-MONTHLY REPORT FOR MEMBERS: NOVEMBER 2023 – FEBRUARY 2024**PURPOSE**

The purpose of this report is to present the Local Government New Zealand (LGNZ) Four Monthly Report for Member Councils to Council for its noting for the period of July – October 2023.

RESOLVED: 24.8

Moved: Cr Kate Taylor

Seconded: Cr Pip Burne

That the report be noted.

CARRIED

The Mayor welcomes Susan Freeman and Sam Broughton (LGNZ) who spoke on the 4 monthly

LGNZ report. Discussions noted.

- Acknowledges mana whenua, the Mayor, The Chief Executive and Councillors for their exceptional leadership over the last 18 months through the weather events.
- Particular pressures across Councils in New Zealand due to high inflation and other factors. Need national conversation about funding.
- Rates account for more than half of council funding (+/- 52% on average).
- Councils costs have increased significantly over the years. Infometrics provided data on these costs.
- Essential infrastructure costs, specifically Systems for Water & Sewerage (28%), Transport ways (27%), Civil Construction (27 %), Capital Goods Price index (26%), Commercial Buildings (25 %), Non-residential Buildings (25 %).
- Bridges are 38 % more expensive to build than three years ago, with Roads and water supply systems by 27%, Sewerage systems by 30%.
- New challenges bring new costs such as climate change, transitioning to a low carbon economy, infrastructure demands, tourism growths and emerging biosecurity threats.
- Most councils are at a point where sweating assets or underinvesting in new assets would impact on services.
- Councils have taken on debt to fund infrastructure investment and now are paying huge interest costs.
- With additional council responsibilities and stronger standards coupled with reduced funding levers are making the situation harder.
- Infometrics have done some analysis on how much kiwis pay in rates compared to tax – estimates an average Kiwi household pays around \$2,900 a year in rates and \$37,000 in tax.
- Local Government owns and operates more than 25% of NZ's Infrastructure assets. Local Government invests in \$3,8billion in Infrastructure per year.
- LGNZ is advocating for levers individual councils can choose to use i.e.
 - An accommodation levies.
 - GST sharing on new builds.
 - Congestion charging.
 - Tourism levies etc.
- Shifting the burden of rates into a new way of funding.
- LGNZ would be keen to hear from council on how we should pay for infrastructure.
- Key part is to have a national conversation around rates pressure, noticing that communities are much more aware of what those pressures are.

7.5 THREE YEAR PLAN 2024-2027 UPDATE

PURPOSE

The purpose of this report is to provide a general update on the Three Year Plan 2024–2027 programme overall and progress underway.

RESOLVED: 24.9

Moved: Mayor Alex Walker

Seconded: Cr Gerard Minehan

That the report be noted.

CARRIED

The report was introduced by Doug Tate which was taken as read.

- To date, 31 submissions have been received and expecting more to come.
- Tonight, The Mayor and Councillors will have a live Facebook Q&A session tonight to address issues and concerns public may have.
- Noting council's timeline in terms of engagement events over the coming weeks and the

remainder of the LTP program.

8 CHIEF EXECUTIVE REPORT

No report.

9 DATE OF NEXT MEETING

RESOLVED: 24.10

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Jerry Greer

That the next meeting of the Central Hawke's Bay District Council be held on 22 May 2024.

CARRIED

10 PUBLIC EXCLUDED BUSINESS

RESOLUTION TO EXCLUDE THE PUBLIC

RESOLVED: 24.11

Moved: Cr Kate Taylor

Seconded: Cr Pip Burne

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
10.1 - Public Excluded Resolution Monitoring Report	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
10.2 - District Plan Key Project Status Report	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons,	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to

	<p>including that of deceased natural persons</p> <p>s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest</p> <p>s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority</p>	<p>result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
<p>10.3 - Land Transport Cyclone Gabrielle Recovery Professional Services Contract Variation</p>	<p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>

CARRIED

RESOLVED: 24.12

Moved: Cr Kate Taylor
 Seconded: Cr Pip Burne

That Council moves into Public Excluded Business at 10.32am.

CARRIED

The meeting adjourned for morning tea at 10.32am and reconvened in Public Excluded at 11.00am.

RESOLVED: 24.13

Moved: Cr Pip Burne
 Seconded: Deputy Mayor Kelly Annand

That Council moves out of Public Excluded Business at 12.01pm.

CARRIED

11 TIME OF CLOSURE

The Meeting closed at 12.02pm.

The minutes of this meeting will be confirmed at the next Ordinary Council meeting to be held on 22 May 2024.

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CHAIRPERSON

**MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL
COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON WEDNESDAY, 22 MAY 2024 AT 9.00AM**

UNCONFIRMED

PRESENT: Mayor Alex Walker
Deputy Mayor Kelly Annand
Cr Tim Aitken
Cr Pip Burne
Cr Jerry Greer
Cr Gerard Minehan
Cr Brent Muggeridge
Cr Kate Taylor
Cr Exham Wichman

IN ATTENDANCE: Doug Tate (Chief Executive)
Dennise Elers (Group Manager Community Partnerships)
Dylan Muggeridge (Group Manager Strategic Planning & Development)
Phillip Stroud (Acting Group Manager Community Infrastructure and Development)

Sarah Crysell (Communications & Engagement Manager)
Lisa Harrison (LTP Programme Manager)
Bridgett Bennett (Community and Strategic Group Coordinator)
Annelie Roets (Governance Lead)

1 KARAKIA

Her Worship, The Mayor Alex Walker welcomed everyone to the meeting and Cr Kate Taylor opened with a karakia

2 APOLOGIES

There were no apologies received.

3 DECLARATIONS OF CONFLICTS OF INTEREST

There were no Declarations of Conflicts of Interest declared.

4 STANDING ORDERS

RESOLVED: 24.14

Moved: Cr Kate Taylor

Seconded: Cr Exham Wichman

That the following standing orders are suspended for the duration of the meeting:

- **21.2** Time limits on speakers
- **21.5** Members may speak only once
- **21.6** Limits on number of speakers

And that Option C under section 21 General procedures for speaking and moving motions be used

for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

CARRIED

5 CONFIRMATION OF MINUTES

RECOMMENDATION

That the minutes of the Ordinary Council Meeting held on 18 April 2024 will be confirmed at the next Council meeting on 13 June 2024.

6 REPORTS FROM COMMITTEES

No reports.

7 REPORT SECTION

7.1 SUBMISSIONS ON THE THREE YEAR PLAN 2024-2027

PURPOSE

The purpose of this report is to present submissions to the Three Year Plan 2024–2027 to Council for their consideration.

RESOLVED: 24.15

Moved: Cr Gerard Minehan

Seconded: Cr Kate Taylor

- 1. That the submissions on the Three Year Plan 2024–2027 be received.**
- 2. That late submissions referred to in Attachment 4 are received.**
- 3. That Council thank submitters for taking the time to provide feedback to the Three Year Plan process and thank them for their submissions.**

CARRIED

The report was introduced by Mayor Alex Walker who welcomed those in attendance to speak today. Councillors heard from the following submitters:

- **9.05am – Ian Sharp, Submitter #149.**
- **9.12am – Sharron Hales, Submitter #45.**
- **9.22am – Catherine Pedersen, Submitter #237 & #250.**
- **9.32am – Crystal Lau, Cancer Society #255.**

The meeting adjourned at 9.43am and reconvened at 10.37am.

- **10.38am – Sharleen Baird, Submitter #155.**
- **10.45am – Will Foley, Submitter #274.**
- **10.56am – Roy Fraser, Rotary River Pathway Trust, Submitter #254, #258 & #259.**
- **11.04am – Cara Keane, CHB Older Persons Network, Submitter #227.**
- **11.19am – Catherine Stonehouse, HB Netball Centre Inc, Submitter #272.**

- 11.31am – Sir Graeme Avery, HB Community Fitness Centre Trust, Submitter #186 & #256.
- 11.50am – Ryan Hambleton, Sport HB, Submitter #L1.
- 12.07pm – Simon Baker, Health NZ – Te Whatu Ora, Submitter #257.
- 12.17pm – Dianne Smith, Submitter #240.
- 12.23pm – Rūma Toru, Argyll East School, Submitter #260.
- 12.30pm – Diane FitzGerald, Submitter #243.

The meeting adjourned at 12.37pm and reconvened at 1.07pm.

- 1.08pm – Jim Galloway & Rhea Dasent, Federated Farmers, Submitter #262.
- 1.27pm – Gerard Pain, Submitter #L3.
- Councillors will have the opportunity tomorrow to discuss the Three Year Plan submissions. Councillors might want to consider additional materials to consider on 30 May at the Deliberations Council meeting.

8 CHIEF EXECUTIVE REPORT

No report.

9 PUBLIC EXCLUDED BUSINESS

No Public Excluded Business.

10 DATE OF NEXT MEETING

RESOLVED: 24.16

Moved: Cr Pip Burne

Seconded: Cr Exham Wichman

That the next meeting of the Central Hawke's Bay District Council be held on 23 May 2024.

CARRIED

11 TIME OF CLOSURE

The Meeting closed at 1.34pm.

The minutes of this meeting will be confirmed at the 13 June 2024 Council meeting.

.....
CHAIRPERSON

**MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL
COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON THURSDAY, 23 MAY 2024 AT 9.00AM**

UNCONFIRMED

PRESENT: Mayor Alex Walker
Deputy Mayor Kelly Annand
Cr Tim Aitken
Cr Pip Burne
Cr Jerry Greer
Cr Gerard Minehan
Cr Brent Muggeridge
Cr Exham Wichman
Cr Kate Taylor

IN ATTENDANCE: Doug Tate (Chief Executive)
Nicola Bousfield (Group Manager People and Business Enablement)
Brent Chamberlain (Chief Financial Officer)
Dennise Elers (Group Manager Community Partnerships)
Dylan Muggeridge (Group Manager Strategic Planning & Development)
Phillip Stroud (Acting Group Manager Community Infrastructure and
Development)
Reuben George (Director Projects & Programmes)
Lisa Harrison (LTP Programme Manager)
Sasha D'Ath (Economic Development Manager)
Annelie Roets (Governance Lead)

1 KARAKIA

Her Worship, The Mayor Alex Walker welcomed everyone to the meeting and Cr Kate Taylor opened with a karakia.

2 APOLOGIES

There were no apologies received.

3 DECLARATIONS OF CONFLICTS OF INTEREST

There were no Declarations of Conflict of Interest received.

4 STANDING ORDERS

RESOLVED: 24.17

Moved: Cr Pip Burne
Seconded: Cr Jerry Greer

That the following standing orders are suspended for the duration of the meeting:

- **21.2** Time limits on speakers
- **21.5** Members may speak only once

- **21.6** Limits on number of speakers

And that Option C under section 21 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

CARRIED

5 CONFIRMATION OF MINUTES

RESOLVED: 24.18

The minutes of the Ordinary Council Meeting held on 18 April and 22 May 2024 will be confirmed at the Ordinary Council meeting to be held 13 June 2024.

CARRIED

6 REPORTS FROM COMMITTEES

There were no reports received.

7 REPORT SECTION

7.1 RESOLUTION MONITORING REPORT

PURPOSE

The purpose of this report is to present to Council the Resolution Monitoring Report. This report seeks to ensure Council has visibility over work that is progressing, following resolutions from Council.

RESOLVED: 24.19

Moved: Cr Kate Taylor

Seconded: Cr Jerry Greer

That the report be noted.

CARRIED

The report was introduced by Doug Tate which was taken as read.

- An update on Better-Off Funding in relation to Harker Street requested. Press release will go out today. Bit of work on the stormwater pipe under the road to work on. Work on progress will be communicated to public next week.
- Snap-send-solve: More visibility over this. To be discussed on Item 8.1 Organisation Report later in the agenda.

7.2 CYCLONE GABRIELLE - ROADING RECOVERY UPDATE

PURPOSE

The purpose of this report is to provide an update to the Council on the Land Transport Recovery programme and the work undertaken during April 2024. This update is provided within the attached Road to Recovery Key Programme Status Report.

RESOLVED: 24.20

Moved: Cr Kate Taylor

Seconded: Cr Exham Wichman

That the report be noted.

CARRIED

Reuben George provided a brief summary on the progress made across the program. Further discussions noted:

- Additional \$9m funding received from Waka Kotahi.
- Construction has started on 4 sites with procurement in progress for various others.
- A further 4 repairs have also been completed with work ongoing at sites like Gwavas and Douglas Cutting Bridges on track for completion before the 30 June 2024 deadline.
- Focus remains on progressing construction on current and upcoming sites within funding deadlines.
- Aim to further develop non-construction activities such as resource consenting and our multi-criteria analysis.
- Progress has been made in selecting preferred design options for recovery sites.

7.3 THIRD QUARTER FINANCIAL RESULTS FOR THE 2023/2024 FINANCIAL YEAR

PURPOSE

The purpose of this report is to provide Council with visibility of how Council's finances are tracking for the first six months of the 2023–2024 financial year.

RESOLVED: 24.21

Moved: Cr Gerard Minehan

Seconded: Cr Brent Muggeridge

That the report be noted.

CARRIED

The report was introduced by Brent Chamberlain which was taken as read. Key highlights noted:

- Financials heavily influenced by the cyclone recovery particularly in roading.
- Financials may appear well ahead of budgets, but this is due to extra funds received for emergency roading works from Waka Kotahi.
- Business as usual revenue is actually down on budget, specifically in fees and charges, resource consents and building consents and solid waste areas.
- Largest driver of the revenue shortfall is volume.
- A purposeful slowdown in capital work, which shows the lower than budgeted capital expenditure, the lack of new debt being drawn, and the maturity of the last of the investment bonds Council held.
- In April, Council had to refinance a \$10m fixed loan which came off a 2.19% pa interest rate and was replaced with a 5.47% pa loan.
- Also, Council entered into its first interest rate swap which doesn't start until 2026 but runs

through to 2029 and locks in an effective interest rate for \$10m at 3.91% pa.

7.4 FEES AND CHARGES 2024-2025

PURPOSE

The matter for consideration by Council is the adoption of the Fees and Charges for 2024–2025.

RESOLVED: 24.22

Moved: Cr Pip Burne

Seconded: Cr Gerard Minehan

- 1. That the Council adopts the Fees and Charges for the financial year dated 2024–2025 as set out in Attachment 1.**
- 2. That Council gives notice pursuant to Section 103 of the Local Government Act 2002 of its intention to prescribe the fees payable for the period 1 July 2024 to 30 June 2025 in respect of certificates, authorities, approvals, consents, and services given or inspections made by the Council under the Local Government Act 2002, the Building Act 2004, the Building (Infringement Offences, Fees, and Forms) Regulations 2007, the Amusement Devices Regulations 1978, the Resource Management Act 1991, Health (Registration of Premises) Regulations 1966, Sale and Supply of Alcohol (Fees) Regulations 2013, the Gambling Act 2003, the Burial and Cremation Act 1964, and the Central Hawke's Bay District Council Bylaws as set out in the Fees and Charges Schedule 2024-2025.**

CARRIED

The report was introduced by Brent Chamberlain with discussions noting:

- Sets out what Council's proposed fees and charges are for the coming financial year of 2024/25.
- These are fees and charges that had been built into the assumptions contained in the Three Year Plan 2024-2027 which will come into effect from 1 July 2024.
- Majority of fees and charges are inflationary adjustments.
- Some prices reflect legislative changes i.e parking offences and Waste Minimisation levy.
- Most significant changes are Solid Waste, Room Hire (Libraries & Community Facilities), Resource management and Trade Waste.

7.5 THREE YEAR PLAN 2024-2027 UPDATE

PURPOSE

The purpose of this report is to provide an update on the Three Year Plan 2024–2027, focused on next steps following on from hearing of submissions on 22 May 2024, and in preparation of deliberations being held on 30 May 2024

RESOLVED: 24.23

Moved: Cr Exham Wichman

Seconded: Cr Kate Taylor

That the report be noted.

CARRIED

Lisa Harrison introduced the report which was taken as read. Further discussions noted.

- Council had its submissions hearing yesterday and officers are in the process in finalising their deliberation reports for the 30 May Council meeting.
- Councillors discussed the Three Year Plan key topics and provided feedback on each topic for

consideration in the deliberations reports.

7.6 REPORTS FROM JOINT COMMITTEES JANUARY - MARCH 2024

PURPOSE

This report presents the minutes of the following Joint Committee for Council's noting:

1. 11 March 2024 – Climate Action Joint Committee minutes.

RESOLVED: 24.24

Moved: Cr Kate Taylor

Seconded: Cr Pip Burne

That the Minutes from the Climate Action Joint Committee held on 11 March 2024 be received.

CARRIED

The report was taken as read.

7.7 HAWKE'S BAY CIVIL DEFENCE AND EMERGENCY MANAGEMENT GROUP RESPONSE TO CYCLONE GABRIELLE INDEPENDENT REVIEW

PURPOSE

The purpose of this report is to provide background and an overview of the scope, procurement processes and methodology for the completion of the independent review of the Hawke's Bay Civil Defence Emergency Management Group's response to Cyclone Gabrielle (the review), the key findings from the review and, importantly, the next steps for the initial implementation of the review recommendations.

RESOLVED: 24.25

Moved: Cr Kate Taylor

Seconded: Cr Gerard Minehan

1. **That Council receives the Hawke's Bay Civil Defence and Emergency Management Group response to Cyclone Gabrielle independent review.**
2. **That Council is committed to working regionally and locally to ensure that the learnings and recommendations from the review are implemented.**

CARRIED

Dennise Elers introduced the report was taken as read.

The meeting adjourned for morning tea at 10.45am and reconvened at 11.05am.

7.8 REGIONAL ECONOMIC DEVELOPMENT AGENCY - LETTER OF EXPECTATION

PURPOSE

The matter for consideration by the Council is to consider and provide feedback on the Hawke's Bay Regional Economic Development Agency (HBREDA) draft Letter of Expectations (LOE) and to delegate to the Mayor to advocate on behalf of Central Hawke's Bay at the Matariki Governance Group on finalising this LOE.

RESOLVED: 24.26

Moved: Cr Exham Wichman

Seconded: Deputy Mayor Kelly Annand

- 1. That Council notes the draft Letter of Expectations for the Hawke's Bay Regional Development Agency for the six months from 1 July 2024 to 31 December 2024.**
- 2. That Council delegates authority to Mayor Walker to advocate on behalf of Central Hawke's Bay in her role on the Matariki Governance Group to finalise this Letter of Expectations.**

CARRIED

The report was introduced by Sasha D'Ath which was taken as read.

8 CHIEF EXECUTIVE REPORT

8.1 THIRD QUARTER ORGANISATION REPORT JANUARY - MARCH 2024

PURPOSE

The purpose of this report is to present to Council the Third Quarter Organisation report from 1 January – 31 March 2024.

RESOLVED: 24.27

Moved: Cr Kate Taylor

Seconded: Cr Pip Burne

That the Third Quarter Organisation Report (January – March 2024) be noted.

CARRIED

Doug Tate introduced the report which was taken as read.

9 DATE OF NEXT MEETING

RECOMMENDATION

Moved: Cr Annand

Seconded: Cr Exham Wichman

That the next meeting of the Central Hawke's Bay District Council be held on 30 May 2024.

CARRIED

10 PUBLIC EXCLUDED BUSINESS**RESOLUTION TO EXCLUDE THE PUBLIC****RESOLVED: 24.28**

Moved: Cr Tim Aitken

Seconded: Cr Brent Muggeridge

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
10.1 - Public Excluded Resolution Monitoring Report	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
10.2 - Water Leak Remission Request	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
10.3 - Patangata Bridge Scour Protection Procurement - Late Report to follow	<p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

RESOLVED: 24.29

Moved: Cr Tim Aitken

Seconded: Cr Brent Muggeridge

That Council moves into Public Excluded business at 11.58am.**CARRIED****RESOLVED: 24.30**

Moved: Cr Exham Wichman

Seconded: Deputy Mayor Kelly Annand

That Council moves out of Public Excluded business at 12.19pm.**CARRIED****11 TIME OF CLOSURE**

The Meeting closed at 12.19pm.

The minutes of this meeting will be confirmed at the next Council meeting to be held on 13 June 2024.

.....
CHAIRPERSON

**MINUTES OF CENTRAL HAWKE'S BAY DISTRICT COUNCIL
COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON THURSDAY, 30 MAY 2024 AT 9.00AM**

UNCONFIRMED

PRESENT: Mayor Alex Walker
Deputy Mayor Kelly Annand
Cr Tim Aitken
Cr Pip Burne
Cr Jerry Greer
Cr Gerard Minehan
Cr Brent Muggeridge
Cr Exham Wichman
Cr Kate Taylor

IN ATTENDANCE: Doug Tate (Chief Executive)
Nicola Bousfield (Group Manager People and Business Enablement)
Brent Chamberlain (Chief Financial Officer)
Dennise Elers (Group Manager Community Partnerships)
Dylan Muggeridge (Group Manager Strategic Planning & Development)
Phillip Stroud (Acting Group Manager Community Infrastructure and Development)
Sarah Crysell (Communication and Engagement Manager)
Lisa Harrison (LTP Programme Manager)
Stephen Hill (Electionz.com) (online)
Ben Swinburne (Three Waters Manager)
Annelie Roets (Governance Lead)

1 KARAKIA

Her Worship, The Mayor Alex Walker welcomed everyone to the meeting and Cr Exham Wichman opened with a karakia.

2 APOLOGIES

There were no apologies received.

3 DECLARATIONS OF CONFLICTS OF INTEREST

There were no Declarations of Conflict of Interest received.

4 STANDING ORDERS

RESOLVED: 24.31

Moved: Cr Exham Wichman

Seconded: Cr Kate Taylor

That the following standing orders are suspended for the duration of the meeting:

- **21.2** Time limits on speakers
- **21.5** Members may speak only once
- **21.6** Limits on number of speakers

And that Option C under section 21 General procedures for speaking and moving motions be used

for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

CARRIED

5 CONFIRMATION OF MINUTES

That Council confirm the 18 April, 22 May and 23 May 2024 Council minutes at their next Ordinary Council meeting to be held on 13 June 2024.

6 REPORTS FROM COMMITTEES

No reports received.

7 REPORT SECTION

7.1 REPRESENTATION REVIEW – CONFIRMATION OF REPRESENTATION ARRANGEMENTS

PURPOSE

The matter for consideration by the Council is to confirm its preferred option for representation arrangements for the 2025 and 2028 elections for inclusion in the initial representation proposal, to be presented to Council at its meeting of 27 June 2024 for adoption and subsequent community consultation.

RESOLVED: 24.32

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Pip Burne

- 1. That the Council confirms Option 4 as the representation arrangement for inclusion in Councils Initial Representation Proposal for the 2025 and 2028 elections.**

CARRIED

AGAINST: CRS GERARD MINEHAN/ TIM AITKEN/ JERRY GREER/ BRENT MUGGERIDGE

Doug Tate welcomed Stephen Hill (Electionz.com) (*online*) who presented this report with discussions noting:

- Now in third phase of the Representation Review with options being put forward to Councillors to consider and seek feedback on the options proposed.
- Today's decision will be included in the Representation Proposal to be adopted at the 27 June 2024 Council meeting.
- Councillors explored the various representation arrangements and options proposed. Some lengthy debate on each option considered.
- Of the options developed, some options do not comply with the Local Electoral Act due to the over or under representation in one or both wards and the non-compliance with the per member ratio (+/- 10%).
- Under Option 4:
 - Each General ward elector would have 3 ward votes PLUS 2 At-Large votes (plus a vote for the mayor)
 - Each Māori ward elector would have 1 ward vote PLUS 2 At-Large votes (plus a vote for the mayor).
- The Recommendation was put and carried.

7.2 THREE YEAR PLAN 2024-2027 SUMMARY REPORT

PURPOSE

The purpose of this report is to provide a summary on the Three Year Plan 2024-2027 process, and the matters to be deliberated on that form part of this agenda.

RESOLVED: 24.33

Moved: Cr Gerard Minehan
Seconded: Cr Exham Wichman

That the report be noted.

CARRIED

Doug Tate introduced the report which was taken as read.

7.3 THREE YEAR PLAN 2024-2027 – DRAFT DELIBERATIONS REPORT: TRADE-OFF AREA #1 – SORTING LAND TRANSPORT

PURPOSE

The matter for consideration by the Council is to consider feedback related to Trade-off area #1 – Sorting Land Transport received through the Three Year Plan 2024 - 2027 process.

RESOLVED: 24.34

Moved: Cr Tim Aitken
Seconded: Cr Jerry Greer

- 1. That Council adopts the Higher Option for Trade-off Area #1 – Sorting Land Transport as set out in the Three Year Plan 2024-2027.**
- 2. That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.**

CARRIED

The report was taken as read, followed by Councillor discussion.

7.4 THREE YEAR PLAN 2024-2027 – DRAFT DELIBERATIONS REPORT: TRADE-OFF AREA #2 – DRINKING WATER AND WASTEWATER INVESTMENT

PURPOSE

The matter for consideration by the Council is to consider feedback related to Trade-off Area #2 – Drinking Water and Wastewater Investment received through the Three Year Plan 2024–2027 process.

RESOLVED: 24.35

Moved: Cr Gerard Minehan

Seconded: Cr Kate Taylor

- 1. That Council adopts the Central Option for Trade-off Area #2 – Drinking Water and Wastewater Investment.**
- 2. That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.**

CARRIED

The report was taken as read, followed by Councillor discussion.

7.5 THREE YEAR PLAN 2024-2027 – DRAFT DELIBERATIONS REPORT: TRADE-OFF AREA #3 – PRIORITISING STORMWATER

PURPOSE

The matter for consideration by the Council is to consider feedback related to Trade-off Area #3 – Prioritising Stormwater received through the Three Year Plan 2024 - 2027 process.

RESOLVED: 24.36

Moved: Cr Gerard Minehan

Seconded: Cr Exham Wichman

- 1. That Council adopts the Central Option for Trade-off Area #3 – Prioritising Stormwater as set out in the Three Year Plan 2024-2027.**
- 2. That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.**

CARRIED

The report was taken as read, followed by Councillor discussion.

7.6 THREE YEAR PLAN 2024-2027 – DRAFT DELIBERATIONS REPORT: TRADE-OFF AREA #4 – SERVICE REDUCTIONS AND EFFICIENCIES

PURPOSE

The matter for consideration by the Council is to consider feedback related to Trade-off area #4 – Service Reductions and Efficiencies received through the Three Year Plan 2024-2027 process.

RESOLVED: 24.37

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Pip Burne

A motion was put for recommendation 1(b) being as:

1. **That Council adopts the Central Option for Trade-off area #4 – Service Reductions and Efficiencies, with the following changes:**
 - a) **That Council retains the existing Library Service operating hours, requiring an increase in the general rate of \$30,000 in the Three Year Plan 2024-2027.**
 - b) ***That Council retains the existing Waipawa Transfer Station at reduced hours until such time as a centralised resource recovery centre is established for the district or some other option.***

Cr Jerry Greer / Cr Brent Muggeridge

Against: Mayor Alex Walker/ Deputy Mayor Kelly Annand / Cr Pip Burne / Cr Exham
Wichman

The Motion was Lost

2. **That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.**

The motion was lost on recommendation 1(b) and the original recommendations put as being:

RESOLVED:

1. **That Council adopts the Central Option for Trade-off area #4 – Service Reductions and Efficiencies, with the following changes:**
 - a) **That Council retains the existing Library Service operating hours, requiring an increase in the general rate of \$30,000 in the Three Year Plan 2024-2027.**
2. **That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.**

CARRIED

The report was taken as read, followed by Councillor discussion.

- *The meeting adjourned for morning tea at 10.54am and reconvened at 11.16am.*

7.7 THREE YEAR PLAN 2024-2027 – DRAFT DELIBERATION'S REPORT: TUKITUKI (TAREWA) SWINGBRIDGE

PURPOSE

The matter for consideration by the Council is to consider feedback related to Tukituki Swing bridge received through the Three Year Plan 2024 - 2027 process.

RESOLVED: 24.38

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Exham Wichman

1. **That Council reaffirms its support of the Tukituki (Tarewa) Swing bridge as an important recreational asset for Central Hawke's Bay, despite delays in the rebuilding of the bridge as a result of Hawke's Bay Regional Council's review of the Upper Tukituki River Scheme following Cyclone Gabrielle.**
2. **That Council retains funding as proposed in the Three Year Plan 2024-2027 for the construction of the Tukituki (Tarewa) Swing bridge as a means to convey wastewater across the river.**
3. **That following the release of the Hawke's Bay Regional Council Upper Tukituki Scheme Review an assessment of the impacts of the review on the project is completed, and that Council reassesses the viability of the project to convey wastewater across the Tukituki.**
4. **That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.**

CARRIED

Doug Tate introduced the report which was taken as read.

- There are a number of risks associated with this project and further information is required to better understand the impacts of these, particularly the Hawke's Bay Regional council Upper Tukituki Scheme Review that has halted the project's progress to date.
- The swing bridge is an important asset to our community and is the centrepiece of the Tukituki Trails network.
- HBRC were unable to progress the consenting for the project any further due to the Upper Tukituki Scheme Review which is currently undertaken.
- The balance of the report was taken as read.

7.8 THREE YEAR PLAN 2024-2027 – DRAFT DELIBERATIONS REPORT: REVENUE AND FINANCING POLICY AND RATING SYSTEM

PURPOSE

The matters for consideration by Council is whether the Revenue and Financing Policy and Rating System should move the cost of swimming pool inspections, for those that have a permanent swimming pool, from a fee and charge to a targeted rate.

This report also considers the cost of swimming pool inspections moving to 100% funded by swimming pool owners (under the previous Revenue and Financing Policy 80% of the fee was covered by the pool owner and 20% was covered by general rates).

RESOLVED: 24.39

Moved: Cr Tim Aitken

Seconded: Deputy Mayor Kelly Annand

1. **That Council adopts the following recommendations for the Revenue and Financing Policy following its consultation as part of the Three Year Plan 2024-2027:**
 - a) **That swimming pool inspection costs continue as a fee and do not move to a targeted rate.**
 - b) **That swimming pool inspection costs move to 100% private funding.**
2. **That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.**

CARRIED

Doug Tate introduced the report which was taken as read, followed by Councillor discussion.

7.9 THREE YEAR PLAN 2024-2027 – DRAFT DELIBERATIONS REPORT: DEVELOPMENT CONTRIBUTIONS POLICY

PURPOSE

The matter for consideration by the Council is whether or not the proposed Development Contributions Policy should be adopted.

RESOLVED: 24.40

Moved: Cr Kate Taylor

Seconded: Cr Pip Burne

1. **That Council adopts the Development Contribution Policy following its consultation as part of the Three Year Plan 2024-2027.**
2. **That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.**

CARRIED

The report was taken as read, followed by Councillor discussion.

7.10 THREE YEAR PLAN 2024-2027 – DRAFT DELIBERATIONS REPORT: OTHER MATTERS

PURPOSE

The matter for consideration by the Council is any other matters outside the four trade-off areas or related policies, raised during Three Year Plan submission process.

RESOLVED: 24.41

Moved: Cr Kate Taylor

Seconded: Cr Brent Muggeridge

1. That the submitters are thanked for their comments, which are acknowledged, and further that the information contained in this report is provided to the submitters.
2. That Sport Hawke's Bay's are thanked for their submission and their ongoing efforts in Central Hawke's Bay and that their request for support for a Regional Spaces and Places Plan and the Regional Aquatics Plan is managed by Officers.
3. That funding support is not provided to the Hawke's Bay Community Fitness Trust but invites the Trust to continue to participate in our community and community networks.
4. That Council adopts the proposed change in the Land Use and Subdivision activity budget.
5. That Council scopes for a rating review in the next 12 months.

CARRIED

Doug Tate introduced the report which was taken as read followed by Councillor discussion.

7.11 THREE YEAR PLAN 2024-2027 – DRAFT DELIBERATIONS REPORT: TE AUTE DRAINAGE SCHEME

PURPOSE

The matters for consideration by Council is whether the Te Aute Drainage Scheme Budget should be adjusted following the Te Aute Drainage Scheme Annual General Meeting (AGM).

This is a Targeted Rate affecting the 16 farm properties surrounding the Papanui Stream Catchment Area.

RESOLVED: 24.42

Moved: Cr Tim Aitken

Seconded: Cr Brent Muggeridge

1. That Council agrees to increase the targeted rate for the Te Aute Drainage Scheme by \$50,000 for additional maintenance of the drainage scheme as requested by the Te Aute Drainage Scheme Committee/Ratepayers in the Three Year Plan 2024-2027.

CARRIED

The report was taken as read, followed by Councillor discussion.

8 CHIEF EXECUTIVE REPORT

No reports.

9 DATE OF NEXT MEETING**RESOLVED: 24.43**

Moved: Cr Jerry Greer

Seconded: Cr Kate Taylor

That the next meeting of the Central Hawke's Bay District Council be held on 13 June 2024.

CARRIED

Her Worship, The Mayor thanked the community for their input and feedback throughout the consultation process and thanked all officers for their effort in preparing the Deliberations Reports.

10 TIME OF CLOSURE

The Meeting closed at 12.43pm.

The minutes of this meeting will be confirmed at the next Ordinary Council meeting to be held on 13 June 2024.

.....
CHAIRPERSON

6 REPORTS FROM COMMITTEES

There were no reports.

7 REPORT SECTION

7.1 RESOLUTION MONITORING REPORT

File Number: COU1-1400

Author: Annelie Roets, Governance Lead

Authoriser: Dylan Muggeridge, Group Manager, Strategic Planning & Development

Attachments: 1. Council Monitoring Resolution Report [↓](#)

RECOMMENDATION

That the report be noted.

PURPOSE

The purpose of this report is to present to Council the Resolution Monitoring Report. This report seeks to ensure Council has visibility over work that is progressing, following resolutions from Council.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as not significant.

DISCUSSION

The monitoring report is **attached**.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made.
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter.
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan.
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or would transfer the ownership or control of a strategic asset to or from the Council.

NEXT STEPS

An updated Resolution Monitoring Report will be presented at the next Ordinary Council meeting.

RECOMMENDATION

That the report be noted.



Council Resolution Monitoring Report - 13 June 2024

Key	
Completed	
On Track	
Off Track	

Item Number	Item	Council Resolution or Action	Resolution Date	Responsible Officer	Progress Report
1	7.3	Centralines Aquatic Centre - Annual Plan 2023/24	15-Jun-23	Dennise Elers	On Track - Council Officers have met with the Trust to discuss the future direction and aspirations of the Trust and these conversations are ongoing. The ground lease for the Centralines Sports Complex expires on 30 June 2024, which can be achieved under the CE's Delegation. An extension to the lease is expected to be provided to give the Trust further time to confirm their future. Overall, the Trust have a plan for how they intend to understand their future state, form and function.
2	7.5	Adoption of Draft Statement of Proposal Freedom Camping	19-Oct-23	Logan McKay	On Track - The Bylaw consultation period has closed. Officers have completed analysis of the 533 submissions, and these submissions will be heard as part of this Council agenda.
3	7.2	Representation Review - Māori Representation	15-Nov-23	Doug Tate	On Track - Council confirmed its proposed representation arrangement at its meeting of 30 May. Officers will now prepare the initial representation proposal for consideration at Councils 27 June meeting.
4	7.4	Proposed Amendments and Updates to Council Delegations Manual	15-Feb-24	Brent Chamberlain / Dylan Muggeridge	On Track - Policy updated and available on the web. The inclusion of governance structures in the document, and possible duplication with other policies yet to be refined. Officers are working on this and expect to provide an update in August.
5	7.1	Better-Off Funding - Update and Funding Re-allocation direction	14-Mar-24	Dylan Muggeridge	Complete - The Department of Internal Affairs confirmed the re-allocation of Better-Off Funding as approved by Council on 15 February. Officers are now working with Crown Infrastructure Partners to operationalise this funding re-allocation, and implement projects. Officers have also reflected this allocation of Better-Off Funding in the options that were consulted on for the Three Year Plan.
6	7.16	Petition - Speed Reduction in Ongaonga	14-Mar-24	Phillip Stroud	Complete - The meeting agreed between NZ Police and the Community's representative was held on 1 May. There was good attendance with a wide range of potential solution presented for Council officers to consider. It is intended to report back to the Ongaonga community on potential preferred options. This work is ongoing operationally with no action required from the Elected Members.

7	7.1	Submissions on the Three Year Plan 2024-2027	1. That the submissions on the Three Year Plan 2024–2027 be received. 2. That late submissions referred to in Attachment 4 are received. 3. That Council thank submitters for taking the time to provide feedback to the Three Year Plan process and thank them for their submissions.	22-May-24	Lisa Harrison	On Track - Officers will now work through connecting back with submitters based on deliberations and will complete this following the Adoption of the Three Year Plan on 13 June.
8	7.4	Fees & Charges 2024-2025	1. That the Council adopts the Fees and Charges for the financial year dated 2024–2025 as set out in Attachment 1. 2. That Council gives notice pursuant to Section 103 of the Local Government Act 2002 of its intention to prescribe the fees payable for the period 1 July 2024 to 30 June 2025 in respect of certificates, authorities, approvals, consents, and services given or inspections made by the Council under the Local Government Act 2002, the Building Act 2004, the Building (Infringement Offences, Fees, and Forms) Regulations 2007, the Amusement Devices Regulations 1978, the Resource Management Act 1991, Health (Registration of Premises) Regulations 1966, Sale and Supply of Alcohol (Fees) Regulations 2013, the Gambling Act 2003, the Burial and Cremation Act 1964, and the Central Hawke's Bay District Council Bylaws as set out in the Fees and Charges Schedule 2024-2025.	23-May-24	Brent Chamberlain	Complete - Advertising and notification to parties is underway and the website updated ready for the effective date of 1 July 2024.
9	7.7	Hawke's Bay Civil Defence and Emergency Management group response to Cyclone Gabrielle Independent Review	1. That Council receives the Hawke's Bay Civil Defence and Emergency Management Group response to Cyclone Gabrielle independent review. 2. That Council is committed to working regionally and locally to ensure that the learnings and recommendations from the review are implemented.	23-May-24	Dennise Elers	Complete - Officers have a work programme from the regional and local reviews that is underway and will form part of future reporting to Council.
10	7.8	Regional Economic Development Agency - Letter of Expectation	1. That Council notes the draft Letter of Expectations for the Hawke's Bay Regional Development Agency for the six months from 1 July 2024 to 31 December 2024. 2. That Council delegates authority to Mayor Walker to advocate on behalf of Central Hawke's Bay in her role on the Matariki Governance Group to finalise this Letter of Expectations.	23-May-24	Sasha D'Ath	Complete - The Matariki Meeting will be held later this month. There are no further actions for elected Council at this time.
11	7.1	Representation Review - Confirmation of Representation Arrangements	1. That the Council confirms Option 4 as the representation arrangement for inclusion in Councils Initial Representation Proposal for the 2025 and 2028 elections.	30-May-24	Doug Tate/ Annelie Roets	On Track - Officers will now work to include the proposed arrangement (Option 4 as adopted) in the final draft Representation Review Proposal to be adopted at the 27 June 2024 Council meeting.
12	7.3	Three Year Plan 2024-2027 – Draft Deliberations Report: Trade-off area #1 – Sorting Land Transport	1. That Council adopts the Higher Option for Trade-off Area #1 – Sorting Land Transport as set out in the Three Year Plan 2024-2027. 2. That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.	30-May-24	Phillip Stroud	On Track - Officers will now work through connecting back with submitters based on deliberations and will complete this following the Adoption of the Three Year Plan on 13 June.
13	7.4	Three Year Plan 2024-2027 – Draft Deliberations Report: Trade-off area #2 – Drinking Water and Wastewater Investment	1. That Council adopts the Central Option for Trade-off Area #2 – Drinking Water and Wastewater Investment. 2. That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.	30-May-24	Ben Swinburne/ Phillip Stroud	On Track - Officers will now work through connecting back with submitters based on deliberations and will complete this following the Adoption of the Three Year Plan on 13 June.
14	7.5	Three Year Plan 2024-2027 – Draft Deliberations Report: Trade-off area #3 – Prioritising Stormwater	1. That Council adopts the Central Option for Trade-off Area #3 – Prioritising Stormwater as set out in the Three Year Plan 2024-2027. 2. That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.	30-May-24	Ben Swinburne/ Phillip Stroud	On Track - Officers will now work through connecting back with submitters based on deliberations and will complete this following the Adoption of the Three Year Plan on 13 June.

15	7.6	Three Year Plan 2024-2027 – Draft Deliberations Report: Trade-off area #4 – Service Reductions and Efficiencies	1. That Council adopts the Central Option for Trade-off area #4 – Service Reductions and Efficiencies, with the following changes: a) That Council retains the existing Library Service operating hours, requiring an increase in the general rate of \$30,000 in the Three Year Plan 2024-2027. 2. That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.	30-May-24	Lisa Harrison	On Track - Officers will now work through connecting back with submitters based on deliberations and will complete this following the Adoption of the Three Year Plan on 13 June.
16	7.7	Three Year Plan 2024-2027 – Draft Deliberation's Report: Tukituki (Tarewa) Swingbridge	1. That Council reaffirms its support of the Tukituki (Tarewa) Swing bridge as an important recreational asset for Central Hawke's Bay, despite delays in the rebuilding of the bridge as a result of Hawke's Bay Regional Council's review of the Upper Tukituki River Scheme following Cyclone Gabrielle. 2. That Council retains funding as proposed in the Three Year Plan 2024-2027 for the construction of the Tukituki (Tarewa) Swing bridge as a means to convey wastewater across the river. 3. That following the release of the Hawke's Bay Regional Council Upper Tukituki Scheme Review an assessment of the impacts of the review on the project is completed, and that Council reassesses the viability of the project to convey wastewater across the Tukituki. 4. That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.	30-May-24	Ben Swinburne/ Phillip Stroud	On Track - Officers will now work through connecting back with submitters based on deliberations and will complete this following the Adoption of the Three Year Plan on 13 June.
17	7.8	Three Year Plan 2024-2027 – Draft Deliberations Report: Revenue and Financing Policy and Rating System	1. That Council adopts the following recommendations for the Revenue and Financing Policy following its consultation as part of the Three Year Plan 2024-2027: a) That swimming pool inspection costs continue as a fee and do not move to a targeted rate. b) That swimming pool inspection costs move to 100% private funding. 2. That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.	30-May-24	Brent Chamberlain	On Track - Officers will now work through connecting back with submitters based on deliberations and will complete this following the Adoption of the Three Year Plan on 13 June.
18	7.9	Three Year Plan 2024-2027 – Draft Deliberations Report: Development Contributions Policy	1. That Council adopts the Development Contribution Policy following its consultation as part of the Three Year Plan 2024-2027. 2. That the submitters are thanked for their comments which are acknowledged and further that the information contained in this report is provided to the submitters.	30-May-24	Brent Chamberlain	On Track - Officers will now work through connecting back with submitters based on deliberations and will complete this following the Adoption of the Three Year Plan on 13 June.
19	7.10	Three Year Plan 2024-2027 – Draft Deliberations Report: Other Matters	1. That the submitters are thanked for their comments, which are acknowledged, and further that the information contained in this report is provided to the submitters. 2. That Sport Hawke's Bay's are thanked for their submission and their ongoing efforts in Central Hawke's Bay and that their request for support for a Regional Spaces and Places Plan and the Regional Aquatics Plan is managed by Officers. 3. That funding support is not provided to the Hawke's Bay Community Fitness Trust but invites the Trust to continue to participate in our community and community networks. 4. That Council adopts the proposed change in the Land Use and Subdivision activity budget. 5. That Council scopes for a rating review in the next 12 months.	30-May-24	Doug Tate	On Track - Officers will now work through connecting back with submitters based on deliberations and will complete this following the Adoption of the Three Year Plan on 13 June.
20	7.11	Three Year Plan 2024-2027 – Draft Deliberations Report: Te Aute Drainage Scheme	1. That Council agrees to increase the targeted rate for the Te Aute Drainage Scheme by \$50,000 for additional maintenance of the drainage scheme as requested by the Te Aute Drainage Scheme Committee/Ratepayers in the Three Year Plan 2024-2027.	30-May-24	Brent Chamberlain	On Track - Officers have updated the Drainage Scheme Committee and this time will be substantially complete on Council adopting the Three Year Plan 2024 - 2027 that forms part of this agenda.

7.2 ADOPTION OF THE THREE YEAR PLAN 2024-2027

File Number:

Author: Lisa Harrison, LTP Programme Manager

Authoriser: Doug Tate, Chief Executive

Attachments: Three Year Plan 2024-2027 (under separate cover)

PURPOSE

The matter for consideration by the Council is to present to the Three Year Plan 2024-2027 for adoption.

RECOMMENDATION

1. **That Council adopt the Three Year Plan 2024-2027 in accordance with section 93G of the Local Government Act 2002.**
2. **That Council gives delegation to the Chief Executive to make any final edits, including minor changes to the Three Year Plan 2024-2027 ahead of formal publication.**

EXECUTIVE SUMMARY

Following the severe impacts of Cyclone Gabrielle on our District, Council along with other impacted Districts received legislative relief under the Severe Weather Emergency Recovery Legislation Act 2023 to develop a Three Year Plan rather than a ten year Long Term Plan.

Work commenced on the Three Year Plan programme in June 2023. Development of the Three Year Plan has progressed through numerous Council Workshops, Committee and Council meetings, and while formally beginning in June 2023, many of the building blocks have been developed over the last three years since the adoption of the 2021-2031 Long Term Plan.

On 10 April 2024 Council published its Three Year Plan 2024-2027 Consultation Document and subsequently held a series of engagements, including Facebook lives and Cuppa with a Councillor sessions to consult on the proposed Three Year Plan. The Consultation period ran from 10 April – 12 May 2024. 285 (including 5 late submissions) were able to provide feedback on the proposed Three Year Plan via an online survey, hard copy survey or any other written form of the submitters choice e.g. email, letter.

Of the total 285 submissions, 22 indicated they wished to speak at the Hearings being held on 22 May 2024.

On 30 May 2024 Council considered all the written feedback, verbal feedback, and officers advise, and resolved to make a number of changes to the Three Year Plan.

Today, Councillors are being presented with the final Three Year Plan 2024-2027 and are being asked to adopt the plan.

BACKGROUND

What is a Long Term Plan (LTP)/Three Year Plan?

Council is required by legislation to adopt a Long Term Plan and review it every three years.

A Long Term Plan sets out Council's activities, plans, budgets and policies and must be adopted before the beginning of the first year it relates to and continues in force until the close of the third consecutive year to which it relates.

Due to the impacts of Cyclone Gabrielle in our district, Council has applied the Severe Weather Emergency Recovery Legislation Act 2023 (the Act). This has meant that Council has relief from Section 93 (7) (a) of the Local Government Act 2002 and is not required to complete a Ten Year Plan. This has been extended to activities such as Councils Infrastructure Strategy, requiring that a 10 rather than 30 year window is considered. Council has also been exempted from the Audit requirements normally associated with the development of a ten year plan also.

The Process

The process to develop the Three Year Plan 2024-2027 began in June 2023. Through the community engagement to develop the Tamatea/Central Hawke's Bay Recovery and Resilience Plan, post Cyclone Gabrielle, we heard strongly from our community about what the priorities were in order to be able to recover and become more resilient. This information alongside the community feedback through the consultation period, has been valuable in the ongoing development and refinement of the Three Year Plan.

Development of the Three Year Plan has progressed through numerous Council Workshops, Committee and Council meetings. These regular workshops and meetings have provided a strong and robust platform for the basis of the Three Year Plan. During the workshops and Committee and Council Meetings, Council have received all of the components of the Three Plan including:

- Community Outcomes – these have been reviewed and included in the Three Year Plan.
- The Levels of Service and Performance Measures – these have been updated based on the Asset and Activity Management Plans and Council feedback and form part of the supporting information contained in each group and activity statement.
- Revenue and Finance Policy – this has been reviewed and consulted as part of the Three Year Plan.
- Groups of Activities – These have been reviewed and the text through all of the activities updated to reflect the range of services and activities Council provide.
- Financial Strategy – this has been reviewed and updated based on the current expectations of Council to facilitate prudent financial management.
- Infrastructure Strategy – has been updated to show the current significant infrastructure issues and how the Council will manage these over the next 10 years.
- Significant Assumptions – these have been reviewed and updated based on current information and best guidance.
- Development Contributions – this policy has been reviewed with substantial changes based on the assumptions and budgets included within the Three Year Plan.
- The Budget and Rates requirements for the next three years - these have been reviewed and form part of the overall consultation on the Three Year Plan.

In accordance with section 93B of the Local Government Act 2002, officers developed a Consultation Document and supporting information that reflected the decisions made and to provide the basis for consultation with the community. The Consultation Document set out the issues and opportunities facing Central Hawke's Bay, along with the key issues for consultation to inform the final Three Year Plan and the proposals and options put forward by Council. The supporting information included the detailed information relied on to prepare the consultation Document.

Due to the Act, Council has relief from section 93D(4) of the Local Government Act 2002 in relation to undertaking an audit on this Three Year Plan.

The consultation on the Three Year Plan using the Consultation Document and supporting information was completed in accordance with section 83 of the Local Government Act 2002. As

part of this, an Engagement Plan was developed to ensure compliance with section 83 of the Local Government Act 2002 and with the key principles of accessibility, transparency and genuine engagement.

Following the adoption of the Consultation Document on 10 April 2024, Council held several Facebook lives, Cuppas with a Councillor, and focused on a targeted social media campaign as well as other engagement channels including radio adverts and information in our Local Newspaper CHB Mail.

At the Hearings meeting held on 22 May 2024, Council heard 17 verbal presentations of submissions. On 30 May 2024, Council held a deliberation meeting to decide on the outcome of the consultation items and other items raised through the submissions received.

For the six key initiatives Council consulted, the following was resolved:

1. Sorting Land Transport.
2. Drinking Water and Wastewater Investment.
3. Prioritising Stormwater.
4. Service Reductions and Efficiencies.
5. How we pay for Growth.
6. How permanent pool owners pay for their swimming pool inspection and that the fee moves to 100% user pays.
7. Tukituki (Tarawera) Swingbridge next steps.

DISCUSSION

This Three Year Plan 2024-2027 is a significant Three Year Plan for Central Hawke's Bay. It presents an open and transparent view of the reality Council faces and a proposed way forward to address the challenges Council and the Community face.

The previous Long Term Plan 2021-2031 Council made the decision, following feedback from the community to increase our debt limits to enable progress on investing in our infrastructure. This meant ratepayers were faced with significant rates increases – not just in the first year of the plan, but through the life of the Long Term Plan Budget 2021-2031. Through development of this Three Year Plan, we are faced with similar infrastructure challenges, coupled with the devastation that Cyclone Gabrielle has had on our community, and in particular on our roading and waters infrastructure.

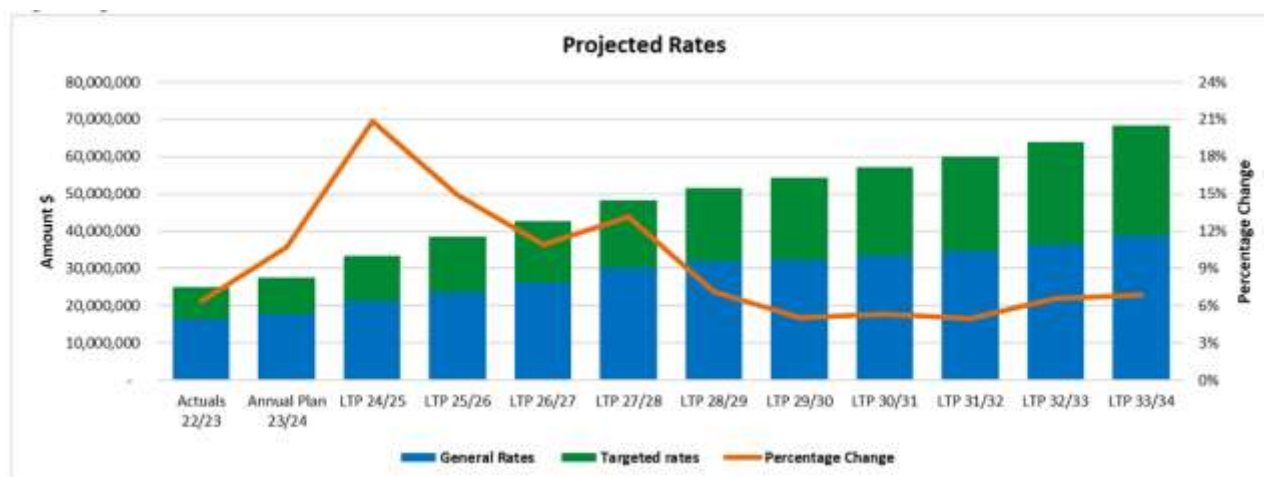
In building this budget, through numerous Council Workshops, Committee and Council Meetings, we have taken a ruthless approach to prioritising expenditure, albeit connected to a level of uncertainty in relation to recovery funding that is also not clear at this time.

This Three Year Plan does not propose to make any significant reductions to the levels of service from the previous Long Term Plan, other than closing the Waipawa and Takapau Transfer Stations.

The main focus of the Three Year Plan was about continuing the #bigwaterstory programme of Three Water Infrastructure and a strong focus on roading infrastructure, both maintenance and cyclone recovery focussed programmes.

Officers have included the decisions from the deliberations into the Three Year Plan, which is presented to the Council for consideration and adoption. Those decisions can also be referenced in the minutes (attached) from the Council meeting of the 30 May 2024 where Council made deliberations on the Three Year Plan.

The Three Year Plan includes Rate Increases over the three years of the Plan as per the below table. The table below includes a longer term view of projected rates.



Section 100(2) of the Local Government Act 2002. allows for Council to set projected operating revenue at a different level from operating expenses taking into account achieving and maintaining level of service provision, maintenance of assets and facilities and affordability, that is projecting an unbalanced budget. This is primarily due to not fully funding depreciation as signalled in the Financial Strategy which results in a unbalanced budget for the period of the Three Year Plan. The reason for this is Council is undertaking significant catch up in deferred asset renewals and is unable to fully fund depreciation during the course of this Three Year Plan without further financially stressing its ratepayers with even higher rating requirements.

RISK ASSESSMENT AND MITIGATION

The proposed Three Year Plan 2024-2027 is a confronting step by Council to face up to the challenges facing our community, and ensure a transparent approach is taken with the community to ensure the facts are known and community are in a position to meaningfully engage.

The proposed Three Year Plan 2024-2027 is one of the most challenging plans that the Council has had to progress due to:

- the current economic climate and affordability challenges our community is facing.
- the impact that Cyclone Gabrielle has had on our community.
- the need to continue to invest in core infrastructure.
- the uncertainty of “Local water done well” and what that means for our district and the wider region.

We still have \$129 million of roading damage yet to fund. Four of our five wastewater treatment sites were flooded and damaged, with the long-term impacts on these sites still not yet known. With the level of uncertainty we face, not only with the impacts of Cyclone Gabrielle, but the uncertainty are other key factors such as interest rates and Three Waters Reform, this is why as Council we have progressed with a Three Year Plan vs a Long Term Plan.

Officers have applied both strategic, operational and technical knowledge, and engaged third party independent advice on those matters in the Three Year Plan which have a level of risk associated with it.

The Three Year Plan was subject to public consultation and complied with the public consultation process as set out in the Local Government Act 2002.

FOUR WELLBEINGS

Project Thrive has seven strategic goals that Council focusses on for our community's wellbeing, which support a thriving Central Hawke's Bay. The four wellbeing's are intrinsically linked to the purpose of everything we do.

DELEGATIONS OR AUTHORITY

Under the Local Government Act 2002 Council must adopt their Long Term Plan. This report seeks the adoption of a Three Year Plan.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as of significance, and as a result of that a robust consultation and engagement process has occurred as per the requirements of the Local Government Act 2002. Council has met its requirements under the Significance and Engagement Policy.

OPTIONS ANALYSIS

Council has two options:

Option 1: Adopt the Three Year Plan 2024-2027 to provide for Council to finalise the Three Year Plan and Council to strike the rate by 30 June 2024..

Option 2: Resolve not to adopt the Three Year Plan 2024-2027 and to give Officers guidance on which amendments were needed and an amended timeframe related to adoption of the Three Year Plan Document would be required.

Recommended Option

This report recommends **Option 1** to Adopt the Three Year Plan 2024-2027 for addressing the matter.

NEXT STEPS

Following the adoption of the Three Year Plan, Council will receive a report at the 27 June 2024 Council Meeting in relation to striking the rates for the 2024/2025 year.

The Chief Financial Officer, in conjunction with the Chief Executive will make any minor amendments and distribute the Three Year Plan as required.

Council Officers will also respond to all the submissions with the outcome of the deliberations and information adopted as part of the Three Year Plan.

Should the Council resolve to not adopt the Three Year Plan, officers will require guidance on which amendments are needed and an amended timeframe related to adoption of the Three Year Plan would be required.

RECOMMENDATION

1. That Council adopt the Three Year Plan 2024-2027 in accordance with section 93G of the Local Government Act 2002.
2. That Council gives delegations to the Chief Executive to make any final edits, including minor changes to the Three Year Plan 2024-2027 ahead of formal publication.

7.3 LAND TRANSPORT SECTION 17A AND RISK REPORT

File Number:**Author:** Shawn McKinley, Land Transport Relationships Manager**Authoriser:** Phillip Stroud, Group Manager - Community Infrastructure and Development**Attachments:**
1. Land Transport Section 17a Review [↓](#)
2. Strategic Risk Overview [↓](#)**PURPOSE**

The matter for consideration by the Council is the adoption of the Section 17a review and the Risk Review paper, which focuses on the risks associated with the Land Transport Improvement Plan.

RECOMMENDATION

1. That the Land Transport Section 17a be adopted and its findings and recommendations are incorporated into the Land Transport Improvement Plan.
2. That the Risk Review identifying the risks in the Land Transport Improvement Plan be adopted and appropriate risks incorporated into Council's risk register.

EXECUTIVE SUMMARY

The Local Government Act 2002 states the requirement for local authorities to conduct a Section 17a (S17a) review on how its services are delivered. The last one was undertaken in 2019 with recommendations approved by the Council in August 2019. A recommendation of the 2019 review was that a further review would be undertaken in 2022. However, this was deferred as the works contracts established in 2020 were not expiring until June 2025.

The current review has been completed and determined that the current model of delivery of services is still appropriate for Council. As part of the S17a risks involved have been captured along with mitigations which will become part of the Council's risk register. These risks will be regularly reviewed and reported on to ensure the Land Transport Improvement Plan (LTIP) is carried out smoothly meeting the desired outcomes.

BACKGROUND

A significant focus for the organisation, reflected through Elected Members priorities is addressing the districts roading network and overall performance of its land transport activity. While roading was to be a major focus areas for Councils as part of the 2024 – 2034 Long Term Plan, major weather events in 2022 and the impacts of Cyclone Gabrielle have further reiterated the importance of achieving improvements in the activity.

An initial focus on improvement was supported by procurement decisions of Council in late 2023. These procurement decisions extended contracts to provide Council to have sufficient time to give consideration on procuring services and to ensure sufficient attention is given to the procurement of the maintenance contract which comes to a final expiration in June 2025.

Work on the S17a began in September 2023 with an Investment Logic Map (ILM), which identified a range of activities which required addressing. One of these activities was a review of the 2019 S17a review.

The ILM presented a large challenge to the council to ensure future road services were delivering on their expectations. These were encapsulated in a LTIP of which this S17a was only one part. Council commissioned the writer of the previous S17a report to conduct another review to ensure

the findings met the emerging needs of the council. Along with this a risk review was begun which focused on any risks relating to the LTIP.

DISCUSSION

In 2023 Council created two big moves which impact the land transport department as part of Councils Elected Member priorities – these are Resilient Rooding and Accountable Delivery.

In order to meet these a Land Transport Improvement Plan was initiated, which also provided a structured process to address issues identified in the ILM. This improvement plan has included a complete review of the organisational structure and all of the inputs to the land transport activity which contribute to the successful execution of the two specific land transport big moves. These included:

- Land Transport S17a review.
- A review of the risks associated with the delivery of the LTIP.
- Land Transport Strategic Framework.
- Land Transport Procurement Strategy.
- Road Maintenance Contract Procurement plan.
- Road Maintenance contract preparation / tendering and award.
- Staff changes roles and responsibilities.
- Contract management improvements.
- Area Wide Pavement Treatment (AWPT), Reseals, and Minor Structure contract procurement plan.
- AWPT, Reseals and Minor Structure contract preparation / tendering and award.

This paper covers the first two items of the above list included in the Improvement Plan.

An initial workshop on the S17a was held with the elected members on 4 April 2024 to give a brief update and get input to focus the report. The input received was incorporated and a second workshop was held on 23 May to present the findings. This report is to gain adoption of the S17a review.

Along with the S17a it was recognised that an analysis of the risks associated with the LTIP was required. This was undertaken and presented in a workshop to Council on 23 May for input and discussion. This report also seeks to gain adoption of the risk review undertaken.

Review Methodology

The review has been an iterative and collaborative process as an integral part of the LTIP. It has included:

- Discussions with the Chief Executive and Land Transport and wider Community Infrastructure and Development teams
- A review of the status of 2019 recommendations
- A review of current strategic priorities including Elected Member Priorities and associated 'Big Moves'
- A review of a Council ILM workshop in September 2023
- A review of the contract management work being undertaken which includes revising and developing new performance measures

- A scan of activity in the region including flood and cyclone recovery programmes that are being progressively developed, funded and mobilised
- A general review of relevant Council and NZTA decisions and procurement processes regarding the extension of some capital works contracts
- A review of the scope and purpose of the refreshed Supply Chain Improvement Programme (SCIP)
- A 'findings to date' workshop with Councillors in April 2024 and further workshops in May.

Summary Review Findings

A summary of the review findings take from the S17a Review is provided below:

Land Transport and Supply Chain Improvement Programmes

The review notes the impact of disruptions from Covid-19, flooding and Cyclone Gabrielle to service planning and delivery and acknowledges the impact these events have had on Land Transport development and improvement activities. LTIP and SCIP represent a sensible approach to ensuring the Land Transport activity is well placed to meet future need and deliver on Elected Members aspirations for Big Move #2 - Resilient Roding as well as other Big Moves that affect all infrastructure and community service delivery.

This review has been informed by the LTIP and SCIP and outputs that have been delivered during the course of the review. The review has found that there is value in seeking to align implementation of any recommendations from this review to LTIP and SCIP as they are effective change programmes already resourced and delivering.

2019 S17a Review recommendations

Recommendations from the previous review in 2019 were accepted by Council, however a combination of Covid-19, responses to significant weather events and changing staff have resulted in most recommendations not being fully implemented.

This review has found that with some minor changes, the recommendations are still valid and that there is work underway through LTIP and SCIP to address them.

Strategic Direction and Elected Members concerns

Thrive continues to provide an effective strategic framework for service delivery, and the introduction of the Elected Member Big Move initiatives provides a very good foundation for Activity lead performance indicators for both internal and external delivery teams. They also reinforce the need for Council to continue the work of LTIP in reviewing and updating requirements for internal capability and capacity (people, process and systems). The review notes that strategic benefits realisation requires improvements in medium to long term activity planning, building and maintaining regional relationships, improving activity responsiveness to community and environmentally led changes in requirements, and stronger and more integrated measurement and reporting across Council.

Elected Members have raised specific concerns with regard to community activation, operational response mechanisms and culture, and these can be addressed through the refreshed Maintenance Intervention Strategy and a new maintenance contract. Successfully addressing these concerns will go some way to re-building community confidence in Council's Land Transport service delivery.

Activity and Contract Governance

The outputs of the September 2023 ILM workshop reinforced findings from the 2019 S17a review that there is a disconnect between Council's governing body (policy and priorities), Land Transport

activity management and contract management. Since 2019, Council's drivers for a review of Activity and Contract governance have expanded and now include:

- The successful delivery of the network recovery programme.
- Securing sustainable service delivery improvements through the LTIP.
- Demonstrating increased responsiveness to community concerns and priorities.
- Delivering Elected member's Big Moves #1 & #2 of Resilient Roading and Accountable Delivery LTIP provides opportunities for activity governance to be improved and consider:
- Ensuring the Land Transport (and potentially other infrastructure activities) governance regime will be effective in supporting delivery of the Big Moves. This would include consideration of how to better connect Activity or Infrastructure Group management decision making and risk and issues escalation and resolution protocols with Council's governing body and risk and assurance processes.
- Terms of Reference. Ensure key roles and accountabilities are well understood particularly in terms of effective and timely decision making to respond to community demand or environmental events.
- Risks and issues identification, escalation and resolution are clear from strategy through to delivery (and back). The Review notes that risk management is being refreshed with the intent that risks will be escalated through Council's risk framework as appropriate. This will help ensure that Council and Activity Governance has a shared view of material risks and issues and their treatments.

Risk management

This review has found the risk management workstream in LTIP is thorough and has no further comment or recommendation to make.

Land Transport Internal Capability

Council has revised its Land Transport team roles and responsibilities and has recruited for new and refreshed roles. The review has found that this will need to be kept under constant review to meet changing requirements over time. For example:

- The different skill sets required as the Network Recovery programme rolls out through its delivery cycle from planning and funding through to commissioning.
- The establishment of a work programme to deliver Big Move #2 – Resilient Roading.
- The increased requirement for regional cooperation and planning to support sustainable supply chain capacity and capability.
- The implementation of wider infrastructure improvement initiatives such as standardised contract management and integrated corridor planning.

Funding and Finance

The draft three year 'Road to Recovery' plan at the time of writing is being finalised and approved, however it is likely that the plan for 'Sorting Land Transport' will mean additional CAPEX and OPEX funding which will increase scope and complexity of the work programme. The Land Transport team now has increased capacity and capability to effectively deliver a larger work programme utilising improved forward planning and programming underpinned by asset condition and network inspection led prioritisation. These activities will, in turn, be supported with appropriate financial reporting and controls to help ensure funding is utilised and well managed.

The review endorses the approach and has no further recommendation to make. Regional supply market It is well understood that the regional supply market requires a lift in capacity to meet

expected demand. However, uncertainty in terms of funding and programmes means that the market is unlikely to grow its capacity in time to meet the demand. This will likely result in a zero-sum game for some suppliers where clients are competing for the same resource. Council will need to consider how it can optimise its position as a preferred client in the short to medium term through creating programming and funding certainty and working closely with other regional clients.

Review Recommendations

The findings in this review have resulted in a number of recommendations for Council to consider and these are supported with a suggested approach to implementation. These are outlined in the following table:

Ref.	Recommendation	Accountability / Workstream	Priority
R1.	Land Transport and Supply Chain Improvement Programmes Continue to resource and support the Land Transport and Supply Chain Improvement programmes and align recommendations from this S17a review to the scope of these programmes	GM Community Infrastructure & Development	Do Now
R2.	2019 S17a Recommendations Ensure recommendations from 2019 S17a review are incorporated into the scope of the LTIP and/or the Supply Chain Improvement programme.	See Appendix 4	Do Now
R3.	Strategic Direction and Priorities Ensure LTIP and SCIP capture Elected Member Big Move initiatives in the re-design and establishment of a common performance framework across all infrastructure activities.	Contracts Manager – SCIP Performance framework	Do Now
R4.	Elected Members specific concerns Ensure the refreshed Maintenance Intervention Strategy and Maintenance contract management plan address Elected Member concerns: <ul style="list-style-type: none"> Community activation – emergency response network. Culture – ownership and pride of place. Agile response – responding to community and stakeholder issues. Local supplier participation – practical pre-qualification standards for health and safety and incentives for head contractors to utilise local services suppliers. Relevant performance measures and reporting – building community confidence. 	Land Transport Programme & Delivery Manager New Maintenance Intervention Strategy & procurement of new maintenance contract.	Do as part of planning for new maintenance contract.
R5.	Activity and contract governance Expand the 2019 S17a recommendation to review Activity governance to ensure integration from policy through to delivery, and support effective and timely escalation and decision making in response to: <ul style="list-style-type: none"> unplanned events. changing requirements from the community. environmental change. prioritised strategic and funding drivers. 	GM Infrastructure and Community Development LTIP Contract & Activity governance review.	Do Now.

Ref.	Recommendation	Accountability / Workstream	Priority
R6.	Land Transport Internal Capability Ensure any revised Activity governance body has internal capability as a regular review item.	As for R5.	Do following Activity and Contract governance review
R7.	Regional supply market Ensure the refreshed procurement strategy considers how Council can: <ul style="list-style-type: none"> • Create demand certainty and therefore market confidence in its work programme • Work with regional partners to smooth demand – particularly for specialist services • Build flexibility into the three year capital programme to be able to respond to supply market opportunities • Continue to build its reputation as a preferred client 	Land Transport Relationship Manager. LTIP updated procurement strategy.	Consider as part of the procurement strategy.

Implementation

The recommended approach to successful delivery of the S17a Review and its findings, is for it to be included in the LTIP. It is recommended that Officers report back to Council on the confirmation of any change in Governance Committees on how best this work programme is reported back to the Elected Council.

RISK ASSESSMENT AND MITIGATION

The risks of not completing the S17a and the risk review would leave council open to not complying with the legislative requirements of LGA 2002 which will be mitigated by the adoption of this paper.

By not adopting the S17a and the risk review the attainment of the 2 big moves will be more restrained and negatively impact on our ability to meet the community outcomes

FOUR WELLBEINGS

This report allows for the timely re-write of the maintenance contract which will enable all four of the community outcomes to be acted on.

Economic Wellbeing: By ensuring efficient and effective transportation services, the LTIP supports local businesses, reduces transportation costs, and promotes economic growth. The strategic procurement and contract management improvements will lead to cost savings and better value for money.

Social Wellbeing: Improved transportation services enhance connectivity within communities, making it easier for residents to access essential services, education, and employment. This fosters a sense of community and improves the overall quality of life.

Environmental Wellbeing: The plan incorporates measures to reduce environmental impacts, such as promoting sustainable transportation options and improving infrastructure resilience. By addressing risks and implementing mitigation strategies, the plan supports environmental sustainability and reduces the carbon footprint of transportation services.

Cultural Wellbeing: The plan ensures that transportation services respect and integrate cultural values and heritage. This includes preserving culturally significant sites and incorporating community feedback to ensure that transportation improvements align with local cultural priorities.

DELEGATIONS OR AUTHORITY

In line with S17a of the Local Government Act 2002, local government are required to review how governance, funding and delivery of services is done at least once every 6 years or when significant changes occur to the levels of service. The last S17a for land transport was conducted in 2019 S17a.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed significant.

OPTIONS ANALYSIS

There are two options available for this report which require consideration and the impacts are outlined in the table below.

Option 1 – Adopt the S17a Review

This option sees Council adopt the S17a and its findings are incorporated in the LTIP. It is the preferred option as it allows the preparation of the maintenance contract to continue while

Option 2 – Do not adopt the S17a Review – recommend changes

This option defers the S17a which has a negative impact on the timing and award of the maintenance contract.

	<u>Option 1</u> Adopt the S17a Review	<u>Option 2</u> Do not adopt the S17a Review – recommend changes
Financial and Operational Implications	There are no immediate new financial implications from this option, with funding and ongoing work contemplated from the Review.	The notable impact to this option is the requirement to complete rework. Relative to the level of change this would need to be assessed.
Long Term Plan and Annual Plan Implications	Provides direction to the Land Transport team to enable the preparation and retendering of the maintenance contract and procurement strategy.	Does not provide direction to the Land Transport team and places the maintenance contract at risk of not being procured in the timely manner.
Promotion or Achievement of Community Outcomes	Enables the achievement of the community outcomes through the re-tendering of the maintenance contract.	Puts the outcomes at risk due to the potential delay in preparing a road maintenance contract.
Statutory Requirements	Meets all statutory requirements.	Meets all statutory requirements but a S17a will have to be completed within the next year to continue to meet statutory requirements.
Consistency with Policies and Plans	Consistent with policies and plans.	Consistent with policies and plans if a S17a review is conducted within the next year.

Recommended Option

This report recommends **Option One, Adopt the S17a Review** for addressing the matter.

NEXT STEPS

Following adoption, the S17a will be used as a guiding document and will form part of the LTIP.

The risks identified will be incorporated into the Council's Risk Register and reviewed on a regular basis.

A series of workshops will be held with council over the next few months until concerns and options have been explored and direction given to enable the big moves to be realised.

RECOMMENDATION

1. **That the Land Transport Section 17a be adopted and its findings and recommendations are incorporated into the Land Transport Improvement Plan.**
2. **That the Risk Review identifying the risks in the Land Transport Improvement Plan be adopted and appropriate risks incorporated into Council's risk register appropriate.**



Central Hawkes Bay District Council

Land Transport Section 17a Review

**For: Phil Stroud – GM Community Infrastructure &
Development**

Author: Tim Munro

Date: 30 May 2024

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Executive Summary

Introduction and purpose

Central Hawkes Bay District Council (Council) own and maintain an urban and rural road network made up of 865 kilometres of sealed and 406 kilometres of unsealed roads, 262 bridges, 7,904 culverts, and 68 kilometres of footpaths. It delivers Land Transport services through a mix of insourced and outsourced professional services, and outsourced physical works.

The last Section 17a (s17a) review was undertaken in 2019 with recommendations approved by the Council in August 2019. A recommendation of the 2019 review was that a further review would be undertaken in 2022. However, this was deferred as the works contracts established in 2020 are not expiring until June 2025.

The purpose of this report is to update the 2019 report and advise any areas that Council should consider as part of its Land Transport Improvement Programme that commenced in 2023, and the development of new works contracts to progressively take effect from 2025.

Process

The review has been an iterative and collaborative process as an integral part of the Land Transport Improvement Programme. It has included:

- 1) Discussions with the Chief Executive and Land Transport and wider Community Infrastructure and Development teams
- 2) A review of the status of 2019 recommendations
- 3) A review of current strategic priorities including Elected Member Priorities and associated 'Big Moves'
- 4) A review of a Council Investment Logic Mapping (ILM) workshop in September 2023
- 5) A review of the contract management work being undertaken which includes revising and developing new performance measures
- 6) A scan of activity in the region including flood and cyclone recovery programmes that are being progressively developed, funded and mobilised
- 7) A general review of relevant Council and NZTA decisions and procurement processes regarding the extension of some capital works contracts
- 8) A review of the scope and purpose of the refreshed Supply Chain Improvement Programme (SCIP)
- 9) A 'findings to date' workshop with Councillors in March 2024

Summary Findings

The findings from this review include:

Land Transport and Supply Chain Improvement Programmes

The review notes the impact of disruptions from Covid-19, flooding and Cyclone Gabrielle to service planning and delivery and acknowledges the impact these events have had on Land Transport development and improvement activities. Land Transport Improvement Programme (LTIP) and



Supply Chain Improvement Programme (SCIP) represent a sensible approach to ensuring the Land Transport activity is well placed to meet future need and deliver on Elected Members aspirations for Big Move #2 - Resilient Roading as well as other Big Moves that affect all infrastructure and community service delivery.

This review has been informed by the LTIP and SCIP and outputs that have been delivered during the course of the review. The review has found that there is value in seeking to align implementation of any recommendations from this review to LTIP and SCIP as they are effective change programmes already resourced and delivering.

2019 s17a Review recommendations:

Recommendations from the previous review in 2019 were accepted by Council, however a combination of Covid-19, responses to significant weather events and changing staff have resulted in most recommendations not being fully implemented.

This review has found that with some minor changes, the recommendations are still valid and that there is work underway through LTIP and SCIP to address them.

Strategic Direction and Elected Members concerns

Thrive continues to provide an effective strategic framework for service delivery, and the introduction of the Elected Member Big Move initiatives provides a very good foundation for Activity lead performance indicators for both internal and external delivery teams. They also reinforce the need for Council to continue the work of LTIP in reviewing and updating requirements for internal capability and capacity (people, process and systems). The review notes that strategic benefits realisation requires improvements in medium to long term activity planning, building and maintaining regional relationships, improving activity responsiveness to community and environmentally led changes in requirements, and stronger and more integrated measurement and reporting across Council.

Elected Members have raised specific concerns with regard to community activation, operational response mechanisms and culture, and these can be addressed through the refreshed Maintenance Intervention Strategy and a new maintenance contract. Successfully addressing these concerns will go some way to re-building community confidence in Council's Land Transport service delivery.

Activity and Contract Governance

The outputs of the September 2023 ILM workshop reinforced findings from the 2019 s17a review that there is a disconnect between Council's governing body (policy and priorities), Land Transport activity management and contract management. Since 2019, Council's drivers for a review of Activity and Contract governance have expanded and now include:

- The successful delivery of the network recovery programme
- Securing sustainable service delivery improvements through the Land Transport Improvement programme
- Demonstrating increased responsiveness to community concerns and priorities



- Delivering Elected member's Big Moves #1 & #2 of Resilient Roading and Accountable Delivery

LTIP provides opportunities for activity governance to be improved and consider:

- Ensuring the Land Transport (and potentially other infrastructure activities) governance regime will be effective in supporting delivery of the Big Moves. This would include consideration of how to better connect Activity or Infrastructure Group management decision making and risk and issues escalation and resolution protocols with Council's governing body and risk and assurance processes
- Terms of Reference. Ensure key roles and accountabilities are well understood particularly in terms of effective and timely decision making to respond to community demand or environmental events
- Risks and issues identification, escalation and resolution are clear from strategy through to delivery (and back). The Review notes that risk management is being refreshed with the intent that risks will be escalated through Council's risk framework as appropriate. This will help ensure that Council and Activity Governance has a shared view of material risks and issues and their treatments.

Risk management

This review has found the risk management workstream in LTIP is thorough and has no further comment or recommendation to make.

Land Transport Internal Capability

Council has revised its Land Transport team roles and responsibilities and has recruited for new and refreshed roles. The review has found that this will need to be kept under constant review to meet changing requirements over time. For example:

- The different skill sets required as the Network Recovery programme rolls out through its delivery cycle from planning and funding through to commissioning
- The establishment of a work programme to deliver Big Move #2 – Resilient Roading
- The increased requirement for regional cooperation and planning to support sustainable supply chain capacity and capability
- The implementation of wider infrastructure improvement initiatives such as standardised contract management and integrated corridor planning

Funding and Finance

The draft three year 'Road to Recovery' plan has yet to be finalised and approved, however it is likely that the plan for 'Sorting Land Transport' will mean additional CAPEX and OPEX funding which will increase scope and complexity of the work programme. The Land Transport team now has increased capacity and capability to effectively deliver a larger work programme utilising improved forward planning and programming underpinned by asset condition and network inspection led prioritisation. These activities will, in turn, be supported with appropriate financial reporting and controls to help ensure funding is utilised and well managed.



The review endorses the approach and has no further recommendation to make.

Regional supply market

It is well understood that the regional supply market requires a lift in capacity to meet expected demand. However, uncertainty in terms of funding and programmes means that the market is unlikely to grow its capacity in time to meet the demand. This will likely result in a zero sum game for some suppliers where clients are competing for the same resource. Council will need to consider how it can optimise its position as a preferred client in the short to medium term through creating programming and funding certainty and working closely with other regional clients.

Conclusion

In determining whether a change in delivery model would benefit Council the review notes the following key considerations:

- 1) The Land Transport team has new roles and people who are preparing to deliver a larger programme of work in a complex regional policy, funding and supply environment. Any substantive change in the delivery model, particularly to bring works services in house or disaggregate services into multiple smaller contracts, would distract the team from focusing on implementing more effective regional cooperation, network management, asset management and works delivery processes
- 2) The Land Transport Improvement Programme is addressing stakeholder concerns raised in the September 2023 ILM workshop and building capability to deliver on Elected Members Big Move #2 – Resilient Roding. The review has not sighted any evidence that a change in the delivery model is required to deliver these benefits
- 3) The review has noted that while the Land Transport and Supply Chain Improvement Programmes are addressing a wide range of operational and management risks and opportunities, there is still a gap in Activity and contract governance to be addressed. Activity governance has become more critical as the impacts of inflation, environmental events and funding uncertainty lead to increasing prioritisation and trade-off challenges. This issue would be common to any delivery model that seeks to build responsive community, network and asset led service delivery
- 4) Regional cooperation and activity coordination will be an important tool to help mitigate the effects of funding and supply uncertainty. There is no evidence to suggest that the regional councils and NZTA are currently in a position to develop and deliver a business case for a regional or shared ownership delivery agency within the timeframes required to be effective in regional recovery programmes. Experience suggests that for the short to medium term this is best addressed through increased collaboration that (for example), shares forward works programmes with regional partners and coordinates activity based engagement with suppliers.

In conclusion, the review has not found anything that would suggest Council will benefit from a change to the core delivery model at this time. However, the Land Transport and Supply Chain Improvement programmes are necessary to build the capability and capacity required to make the



current model more efficient and effective in delivering a larger and more complex work programme.

Recommendations

Summary recommendations

- A. That the findings and recommendations from this review are incorporated into the Land Transport Improvement Programme or Supply Chain Improvement Programme as appropriate.
- B. That staff continue with the procurement of new Land Transport works contracts as approved by Council in December 2023 and subsequently endorsed by NZTA
- C. That staff regularly report an LTIP progress including updates on risk and s17a recommendations

Detailed recommendations

Ref.	Recommendation	Accountability/ Workstream	Priority
R1.	Land Transport and Supply Chain Improvement Programmes Continue to resource and support the Land Transport and Supply Chain Improvement programmes and align recommendations from this s17a review to the scope of these programmes	GM Community Infrastructure & Development	Do Now
R2.	2019 s17a Recommendations Ensure recommendations from 2019 s17a review are incorporated into the scope of the Land Transport Improvement programme and/or the Supply Chain Improvement programme.	See Appendix 4	Do Now
R3.	Strategic Direction and Priorities Ensure LTIP and SCIP capture Elected Member Big Move initiatives in the re-design and establishment of a common performance framework across all infrastructure activities.	Contracts Manager – SCIP Performance framework	Do Now
R4.	Elected Members specific concerns Ensure the refreshed Maintenance Intervention Strategy and Maintenance contract management plan address Elected Member concerns: <ul style="list-style-type: none"> Community activation – emergency response network Culture – ownership and pride of place Agile response – responding to community and stakeholder issues Local supplier participation – practical pre-qualification standards for health and safety and incentives for head contractors to utilise local services suppliers Relevant performance measures and reporting for all stakeholders – building community confidence and understanding what is being done and why Traffic management and accessibility for local suppliers 	Land Transport Programme & Delivery Manager New Maintenance Intervention Strategy & procurement of new maintenance contract	Do as part of planning for new maintenance contract



Ref.	Recommendation	Accountability/ Workstream	Priority
R5.	<p>Activity and contract governance</p> <p>Expand the 2019 s17a recommendation to review Activity governance to ensure integration from policy through to delivery, and support effective and timely escalation and decision making in response to:</p> <ul style="list-style-type: none"> • unplanned events • changing requirements from the community • environmental change • prioritised strategic and funding drivers 	GM Infrastructure and Community Development LTIP Contract & Activity governance review	Do Now
R6.	<p>Land Transport Internal Capability</p> <p>Ensure any revised Activity governance body has internal capability as a regular review item</p>	As for R5.	Do following Activity and Contract governance review
R7.	<p>Regional supply market</p> <p>Ensure the refreshed procurement strategy considers how Council can:</p> <ul style="list-style-type: none"> • Create demand certainty and therefore market confidence in its work programme • Work with regional partners to smooth demand – particularly for specialist services • Build flexibility into the three year capital programme to be able to respond to supply market opportunities • Continue to build its reputation as a preferred client 	<p>Land Transport Relationship Manager</p> <p>LTIP updated procurement strategy</p>	Consider as part of the procurement strategy



1. Current delivery model

Council has not changed its core delivery model since the last review in 2019 which is based on an internal Land Transport management team supported by an experienced professional services firm for technical support and a team of works contractors undertaking delivery in the road corridor.

1.1. Current contract profile

For physical works Council has two major term contracts for maintenance and reseals, minor term contracts for lighting, vegetation control and road marking, and project based contracts for other capital works.

The significant contracts in place are summarised in the table **Error! Reference source not found.**below.

Activity	Provider	Contract term and current estimated annual value
Professional Services	Stantec	Five years commencing 1 December 2018. Extension approved to 30 November 2026 (NZTA approved two year extension March 2023) \$900k pa
Road Maintenance	Downer	Three plus one plus one commencing July 2020 and expiring June 2025 \$4.2m pa
Reseals	Downer	Three plus one plus one commencing July 2020. Council approved extension to June 2026 and approved by NZTA March 2024 \$2.8m pa
Area wide pavement treatment	Higgins	Two plus one plus one plus one commencing July 2020. Council approved extension to June 2026 and approved by NZTA March 2024 \$1.1m pa
Minor structural renewals	Higgins	Two plus one plus one plus one commencing July 2020. Council approved extension to June 2026 and approved by NZTA March 2024 \$1.1m pa
Lighting	Pope Electrical	Two plus one plus one plus one commencing July 2020. Council working through regional procurement plan for this shared provider \$ 122k pa



Activity	Provider	Contract term and current estimated annual value
Road marking	Road Runners	Three plus one plus one commencing July 2020. Council approved extension to June 2026 subject to NZTA approval (pending February 2024) \$250k pa

1.2. Procurement Strategy

Management's report to Council on 14 December 2023 describes the conditions and reasons for changing the existing contract terms to enable a procurement approach where:

- 1) The major maintenance contract is tendered in 2024 to commence July 2025 with an increased focus on community outcomes, and
- 2) Remaining physical works contracts are tendered in 2025 to commence July 2026 when the impacts of regional activity resulting from Cyclone Gabrielle are better understood and the supply chain has responded in terms of capability and capacity.

Council has approved management's recommendations and NZTA endorsed the contract extensions on 12 March 2024. The Land Transport team will prepare a new procurement strategy and specific procurement plans for each tranche of procurement activity.



2. Land Transport and Supply Chain Improvement Programmes

2.1. Land Transport Improvement Programme overview

This review is being undertaken as part of a wider Land Transport Improvement Programme (LTIP) that commenced in November 2023. The driver for LTIP is Elected Members Big Move #2 – Resilient Rooding and has several threads for review and improvement activities including addressing the outcomes of an Elected Member Investment Logic Mapping (ILM) workshop in September 2023 (see Appendix 1).

This s17a review commenced in February 2024 and the LTIP team has made good progress across its workstreams which are summarised in the table below:

Land Transport Improvement Plan workstreams - 2024

Activity	Activity lead	Notes	Timetable (Calendar year qtrs.)
Section 17a Review	Tim Munro (Infracure)	Updating the 2019 s17a review with a focus on activity governance, regional opportunities and contract management	Q1 & 2 2024 - Complete for Council consideration May 2024
Risk review	Michael Hawker	An encompassing risk management review aligning to Councils risk framework and informing the LTIP and subsequent procurement activities.	Q2/24 – running concurrently with s17a review
Current maintenance contract	Brent Holmes (CID Contractor)	Improving service delivery quality and consistency	Q1 2024 – complete
Team restructure and futureproofing internal delivery	Phil Stroud – GM Community Infrastructure and Development	Establishing and recruiting for new roles to reduce reliance on consultants for key activities	Q1 & 2 2024 – completed (established and recruited LT Relationship Manager, LT Programme and Delivery Manager and LT Performance Manager)
Updated Procurement Strategy	Shawn McKinlay (Land Transport Relationship Manager)	Updating an approved procurement strategy to reflect new contract expiry dates, managing cyclone network recovery programme and securing new capital works contracts	Q2 and 3 2024



Activity	Activity lead	Notes	Timetable (Calendar year qtrs.)
Contracts procurement plans and market processes	Sahar Pour (Land Transport Programme & Delivery Manager)	Coordinating: <ul style="list-style-type: none"> Contract extensions New contract documents Procurement plans New procurement strategy For Maintenance, AWPT, Minor CAPEX, Reseals and Professional Services	Q3 2024 – Maintenance Procurement Plan approved and to market Q1 2025 – AWPT, Minor CAPEX and reseals procurement plans approved and to market Q1 2026 – Professional Services procurement plan approved and to market
Contracts Procurement – new maintenance contract	Sahar Pour (Land Transport Programme & Delivery Manager)	Review LOS in line with Elected members priorities and develop supporting Maintenance Intervention Strategy	Q2, 3 & 4 2024
Contract and activity governance	Phil Stroud (GM Community Infrastructure and Development)	Coordinating implementation of recommendations of s17a review	Q3 2024 onwards
Land Transport Strategic Framework	Twinkle Poulose (Land Transport Manager)	Aligning to refreshed 10 Year Infrastructure Strategy currently underway	Q2 & 3 2024
Processes and process improvement	Phil Stroud (GM Community Infrastructure and Development)	Aligning and standardising service delivery, asset management and capital works processes:	Q2 2024 and ongoing

2.2. LTIP – Detailed Scope

In the course of establishing LTIP, the Land Transport team captured specific areas of concern from Elected Members to be addressed through the work programme. These are noted below together with notes as to how LTIP proposes to address them:

Land Transport issue	LTIP proposed approach
Community input – how to ensure community concerns are identified and addressed in a timely way	Design of the new maintenance contract will include development of a refreshed Maintenance Intervention strategy which will address community inputs into activity prioritisation and specifications
Management and delivery of specific activities such as traffic management and drainage	Also addressed in the Maintenance Intervention strategy which will include how new activities, risks or issues will be identified and addressed in the future



Land Transport issue	LTIP proposed approach
Activity prioritisation, delivery trade-offs and affordability and refinements to Levels of Service	Activity governance and decision making is addressed later in this report. If Council undertake an Activity Governance review as recommended then increased integration between Elected Members, management and operations should support stronger decision making for the trade-offs that are inevitable in the current funding model

2.3. Supply Chain Improvement Programme

The Supply Chain Improvement Programme (SCIP) was established in 2019 to seek efficiencies by using collaborative working across all CHB's infrastructure suppliers to better coordinate work by place (e.g. the road corridor) and to reduce waste and duplication. The programme was disrupted by events of the last three years and has been re-established in February 2024 under three progressive initiatives as follows:

1. **Building confidence and assurance** (Aligned and standardised performance measures, reporting, contract registers, contract governance)
2. **Making the most of what we have** (efficiency gains, smarter working, continuous improvement initiatives)
3. **Increasing agility** (capability and process planning for future state options)

The first initiative is underway with all major contracts having revised their operations and compliance KPIs and now looking to align risk and issues registers with Council's risk framework and developing contract governance and reporting that has a stronger emphasis on the next planning period (as against simple reporting on past activity).

There is strong alignment with LTIP and many of the tools and lessons from LTIP will be transferred to other Activities through SCIP.

2.4. Summary finding – Land Transport and Supply Chain Improvement Programmes

The review notes the impact of disruptions from Covid-19, flooding and Cyclone Gabrielle to service planning and delivery and acknowledges the impact these events have had on Land Transport development and improvement activities that would normally occur. LTIP and SCIP represent a sensible approach to ensuring the Land Transport activity is well placed to meet future need and to deliver on Elected Members aspirations for Big Move #2 - Resilient Roadway as well as other Big Moves that affect all infrastructure and community service delivery.

This review has been informed by the LTIP and SCIP and outputs that have been delivered during the course of the review. The review has found that there is value in seeking to align implementation of any recommendations from this review to LTIP and SCIP as they are effective change programmes already resourced and delivering.

**Recommendation**

Ref.	Recommendation	Priority
R1.	Land Transport and Supply Chain Improvement Programmes Continue to resource and support the Land Transport and Supply Chain Improvement programmes and align recommendations from this s17a review to the scope of these programmes.	Do Now



3. Previous Review – 2019

The last review's recommendations were accepted by Council in August 2019 as per the following resolution:

9.2 LAND TRANSPORT SECTION 17(A) REPORT

PURPOSE

The matter for consideration by the Council is the adoption of the Land Transport Section 17(a) Report, its findings and recommendations.

RESOLVED: 19.101

Moved: Cr Kelly Annand

Seconded: Cr Brent Muggeridge

That having considered all matters raised in the report:

- a) That Council adopt the completed and attached Land Transport Section 17(a) Report and support Officers to programme and complete work to meet the recommendations.
- b) That this report (without attachments) be released as publicly available information following this meeting.

CARRIED

This review has sought staff advice on the status of recommendations which are noted below. The Review also notes that both Covid-19 and 2022 and 2023 weather events will have impacted Council's ability to prioritise some of these recommendations and therefore notes whether there is still value in pursuing those that are not yet complete. These are summarised in the following table:

2019 Land Transport s17a Recommendations update

#	Recommendation	Priority (2019)	Status May 2024
1	Governance: that Council review how elected representatives participate in Land Transport strategic planning, and reporting processes to ensure increased alignment with other Council strategic imperatives, and service integration.	Review practices in time to implement for new Councillors in late 2019	Some work has been done but there is still a disconnect between Council prioritising and operational delivery as evidenced by the outputs of the ILM workshop in September 2023 (see Appendix 1). This review reinforces this recommendation to ensure stronger governance integration from Elected members through to contract delivery and performance management.
2	Strategy: that Council review its infrastructure strategy framework to better reflect the influence of the GPS, NLTP and regional coordination for land transport	Align to Council LTP cycle	The 2020-25 Land Transport Strategic Framework is being refreshed as part of LTIP. This review recommends that this work continues



#	Recommendation	Priority (2019)	Status May 2024
3	Programming: Council reinforces its strategy to increase programming alignment and constructability across all services delivering in the road corridor	Ongoing	This is work in progress but has been interrupted due to resources being prioritised to the Cyclone response. The LT team are working with the maintenance contractor on an asset condition based prioritising tool to support an inspection led works programme. This approach will be extended to other corridor activities, which together with monthly liaison meetings will strengthen corridor planning and delivery. This review recommends that this work continues and notes that the Supply Chain Improvement Programme (SCIP) will offer additional resource and support.
4	Knowledge Management: the Land Transport team continues to prioritise its initiative to capture service delivery procedures and pass learnings through to other services. Consider using this process to develop a standardised approach to role based knowledge capture for all services.	Align to strategic supplier initiative as impacts all services	Although there has been some technical initiatives (such as for an Anti-flush seal treatment in January 23), current staff turnover and changes have highlighted a lack of well documented and regularly reviewed systems and processes. The LTIP has process mapping and review within its scope and this review endorses this work being prioritised to support new staff and contractors to manage efficient and effective service delivery.
5	Performance management: Council considers how its new performance framework for internal teams and strategic suppliers will capture Land Transport and other services contribution to community outcomes	Align to strategic supplier initiative	Work is underway across all infrastructure contracts to review and refresh performance KPIs across a common framework. This work is prioritised under the SCIP programme in order to meet Big Move #1 – Accountable Delivery. This review endorses the approach.
6	Strategic alignment: Council continues to reinforce Project Thrive objectives and values with its supply chain partners as the anchor for decision making, relationship management and performance management	Align to strategic supplier initiative	The work being undertaken under Performance Management (see above) includes Strategic Goals and Broader Outcomes in the framework together with lead indicators that will be reported through a refreshed contract and activity governance structure (once developed). This review endorses the approach and notes that Elected Members Big Moves will align well to the updated performance framework



#	Recommendation	Priority (2019)	Status May 2024
7	Procurement strategy: Council expands scope of the Land Transport procurement strategy to include all infrastructure services and address: <ul style="list-style-type: none"> Regional cooperation Regional supply chain management – 2nd/3rd tier supply to be managed including securing resource commitments Rationalising all services delivery in the road corridor Social procurement initiatives Cost and affordability Supplier relationship management and contract management Flexible approach to resourcing engineering and professional services during contract terms Approaches for minor or major CAPEX 	Align to transport procurement strategy cycle	<p>The SCIP programme has stronger coordination across all activities in its scope and will address this following implementation of Stage 1 – Building Confidence and Assurance.</p> <p>In the interim the following have been actioned by the LT team:</p> <ul style="list-style-type: none"> Regional cooperation Social procurement initiatives Cost and affordability Supplier relationship management and contract management Flexible approach to resourcing engineering and professional services during contract terms
8	Regional supply chains: Council champions regional procurement and supply chain forums to expand scope of discussions to include all infrastructure services	To be considered	<p>This remains as an ongoing opportunity with the likely impact of the TREC Alliance on regional resources highlighting the importance of a regional shared understanding to avoid ‘zero-sum’¹ competition due to (for example) clients and contractors competing for a limited sub-contractor or materials resource.</p> <p>This review recommends that Council consider this further.</p>
9	Corridor Planning: in addition to integrated procurement (recommendation 6), consider how to strengthen oversight of planning, programming and integrated activities in the road corridor	Align to strategic supplier initiative as impacts all services	<p>This review recommends that this is incorporated as a sub-set of Recommendation 6 above. It is essentially the operational delivery of the strategic outcome.</p>
10	Regional cooperation: Council consider the opportunity to increase its leadership in infrastructure regional cooperation and if it wishes to prioritise regional cooperation and resource accordingly	To be considered	<p>This review recommends that this is incorporated into Recommendation 8 above. It describes one of the operational options to achieve regional demand management.</p>

¹ What Is The Supply Chain Zero-Sum Game?

The zero-sum game is a situation where one party's gain is entirely counter balanced by another party's losses.

<https://suppeco.com/supplychains-zero-sum-game/>



#	Recommendation	Priority (2019)	Status May 2024
11	Competency development: Council consider the development of a professional services competency (capability and capacity) framework that informs future hiring or outsourcing decisions.	To be considered	There are two aspects of this recommendation: 1) The LTIP has resulted in new roles and refreshed position descriptions to help ensure the right capability and capacity to deliver Big Move #2 – Resilient Rooding 2) The longer term approach is that the third stage of the SCIP programme is a whole of infrastructure view of likely future capability and capacity requirements and how best to meet them (e.g. insource or outsource) This review recommends that this work continues.
12	That Council endorses the continuation of the current services delivery model for Land Transport with the next review to be completed by November 2022	To be considered	This review addresses this recommendation.

3.1. Summary finding – 2019 s17a Review recommendations:

Recommendations from the previous review in 2019 were accepted by Council, however a combination of Covid-19, responses to significant weather events and changing staff have resulted in most recommendations not being fully implemented.

This review has found that with some minor changes, the recommendations are still valid and that there is work underway through LTIP and SCIP to address them.

Recommendation

Ref.	Recommendation	Priority
R2.	2019 s17a Recommendations Ensure recommendations from 2019 s17a review are incorporated into the scope of the Land Transport Improvement programme and/or the Supply Chain Improvement programme.	Do Now



4. Strategic direction and Elected Members concerns

4.1. Strategic Direction - Thrive and Elected Members Big Moves



The “Thrive” initiative continues to lead Council’s strategic planning and operational priorities.

Thrive is supported by a three year plan (2022-25) that outlines Elected Member priorities for the period and describes five ‘Big Moves’. Two of these are particularly relevant for this review of the Land Transport activity. These are quoted below:

1. Accountable Delivery

We’ll achieve this big move by delivering on:

- Complete a review of our Contract Management Policy, specifically focussing on its successful cultural and leadership mobilisation across Council and its contractors.
- Reinvigorate Community Action and Care Groups, for community clean ups and beautification.
- Establish and improve organisational reporting, including key outcome data to demonstrate assurance in our services

2. Resilient Rooding

We have developed a prioritised approach and plan for investment in our roading networks, including a hierarchy of priority roads and routes for delivery in the Long Term Plan.

We’ll achieve this big move by delivering on:

- Complete a substantial review of the Land Transport Strategic Framework, focussing on establishing key routes of resilience and levels of service.



- *Strategically plan, fund and deliver on our Rooding Recovery Programme following the effects of Cyclone Gabrielle.*
- *Reposition the Transport activity in the widest sense to including the relationship to the Regional Land Transport Committee, Rooding Efficiency Group and other forums.*

The activities outlined under each of the Big Moves provide the basis of ideal lead measures under the new performance framework being developed under SCIP. These lead measures can sit across contract and internal activity governance to provide an integrated view of progress that can then be reported through Councils reporting framework.

The importance of sustainable implementation of Big Move #1 - Accountable Delivery cannot be overstated as it will enable management to focus its teams on Councils strategic priorities.

This review notes that successful delivery of the Big Move initiatives will require Council's Land Transport team to have the capability and capacity to focus on future planning and programming as against those capabilities required to deliver day to day operational requirements. The 'connecting' capabilities between planning, prioritisation and programming will include governance, tactical asset management, contract management and network programme management. While professional services firms can support day to day operational contract, asset and network management, CHBDC's experience suggests that it should retain oversight, issues resolution and prioritisation decisions in-house.

4.2. Elected Member Concerns

In addition to reinforcing the Big Move objectives and issues raised in the September 2023 ILM workshop, Elected Members identified the following issues and opportunities to consider:

- **Community activation** – how best to establish a network of community capability to support emergency response in remote areas in particular
- **Culture** – how best to foster a culture where ownership, pride of place and helping each other out is evident. It's useful to note that this is a recurring theme in the SCIP programme
- **Agile response** – the communities perception of Land Transport performance would be enhanced through a stronger response and feedback process such as could be provided by the re-establishment of dedicated 'roadman' units
- **Local supplier participation** – how to support local suppliers to meet minimum requirements, such as health and safety compliance, to be able to undertake Council work, and consider how the procurement process can encourage head contractors to utilise local sub-contractors and service providers
- **Traffic management** – how to reduce the cost of Temporary Traffic Management (TTM), make TTM more accessible to local contractors working in the corridor

Lastly, performance management and associated reporting should be more closely aligned to community interests so that community groups better understand what is being done and why.

The Review notes that operational issues (community activation, traffic management, local supplier participation and agile response) can be effectively managed through the development of the Maintenance Intervention Strategy and subsequent contract documents.



4.3. Summary finding – Strategic Direction and Priorities

Thrive continues to provide an effective strategic framework for service delivery, and the introduction of the Elected Member Big Move initiatives provides a very good foundation for Activity lead (or direction) performance indicators for both internal and external delivery teams. They also reinforce the need for Council to continue the work of LTIP in reviewing and updating requirements for internal capability and capacity (people, process and systems). The review notes that strategic benefits realisation requires improvements in medium to long term activity planning, building and maintaining regional relationships, improving activity responsiveness to community and environmentally led changes in requirements, and stronger and more integrated measurement and reporting across Council.

Elected Members have raised specific concerns with regard to community activation, operational response mechanisms, local supplier participation and culture, and these can be addressed through the refreshed Maintenance Intervention Strategy and a new maintenance contract. Successfully addressing these concerns and reporting on progress through relevant measures will go some way to re-building community confidence in Council's Land Transport service delivery.

Recommendation

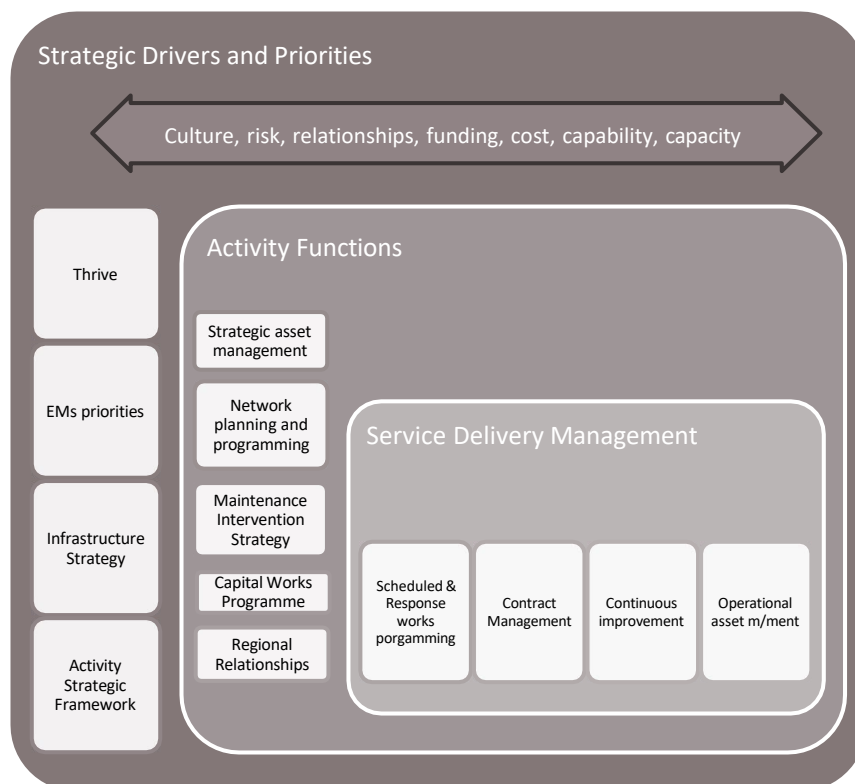
Ref.	Recommendation	Priority
R3.	Strategic Direction and Priorities Ensure LTIP and SCIP capture Elected Member Big Move initiatives in the re-design and establishment of a common performance framework across all infrastructure activities.	Do Now
R4.	Elected Members specific concerns Ensure the refreshed Maintenance Intervention Strategy and Maintenance contract management plan address Elected Member concerns: <ul style="list-style-type: none"> • Community activation – emergency response network • Culture – ownership and pride of place • Agile response – responding to community and stakeholder issues • Local supplier participation – practical pre-qualification standards for health and safety and incentives for head contractors to utilise local services suppliers • Relevant performance measures and reporting for all stakeholders – building community confidence and understanding what is being done and why • Traffic management cost and accessibility for local suppliers 	Do as part of planning for new maintenance contract



5. Activity and Contract Governance

The 2019 review identified an Activity Governance review as a recommendation and this review has identified how this could be viewed in more detail. For the purposes of this review the following diagram illustrates the scope of Activity governance and how it needs to connect with contracts (through the contract management plan) and to strategic imperatives to inform prioritisation and trade off decisions.

This diagram is not comprehensive and is not aligned to any existing organisation structure or delegated authorities (including regional and NZTA Land Transport Planning) which will need to be considered.



5.1. Activity Governance

The outputs of the September 2023 ILM workshop (see Appendix 1) and feedback from interviews during this review suggests that Land Transport Governance has not been as effective as it should be in terms of:



- Setting priorities - understanding the impacts of changes to LOS, work programmes and budgets including the context of NZTA's influence as a co-funder
- Stakeholder and community alignment - ensuring a shared understanding of current demand and requirements, and longer term alignment across stakeholders (including key contracts)
- Accountability - meeting the requirements for Governance expected by Council's major partner – NZTA (see Appendix 2)
- Regional coordination - ensuring Council's contributions and concerns to regional development and initiatives (including post cyclone recovery) are well represented
- Issues escalation and resolution – views of contractor performance, responsiveness to community demands, disconnected activity and contract reporting suggests there is a need to better integrate Activity and Contract (or Operations) Governance.

Overall, the review notes that many of these issues are not uncommon to all Infrastructure Activities and therefore any work done for Land Transport should be undertaken with a view to standardise across the organisation.

Contract Governance

Under Big Move #1 - Accountable Delivery, Council's Elected Members priorities include a review of contract management and this is specifically included in LTIP and SCIP.

This review endorses the focus on effective contract management. Gaps in leadership, the impact of the ongoing response to Cyclone Gabrielle and a lack of core contract management disciplines have all contributed to a perceived sub-optimal network maintenance service delivery.

SCIP is currently reviewing how key contracts across all activities will be governed and managed. The outcome of this exercise will be a standardised approach to:

- Contract management practices
- Performance management and reporting
- Risks and issues management including effective risks, issues and opportunities escalation and resolution
- Change management, including timely decision making for changes to LOS and asset and network performance criteria

5.2. Summary finding Activity and Contract Governance

The outputs of the September 2023 ILM workshop reinforced findings from the 2019 s17a review that there is a disconnect between Council's governing body (policy and priorities), Land Transport activity management and contract management. Since 2019, Council's drivers for a review of Activity and Contract governance have expanded and now include:

- The successful delivery of the network recovery programme
- Securing sustainable service delivery improvements through the Land Transport Improvement programme
- Demonstrating increased responsiveness to community concerns and priorities



- Delivering Elected member's Big Moves #1 & #2 of Resilient Roading and Accountable Delivery

LTIP provides opportunities for activity governance to be improved and consider:

- Ensuring the Land Transport (and potentially other infrastructure activities) governance regime will be effective in supporting delivery of the Big Moves. This would include consideration of how to better connect Activity or Infrastructure Group management decision making and risk and issues escalation and resolution protocols with Council's governing body and risk and assurance processes
- Terms of Reference. Ensure key roles and accountabilities are well understood particularly in terms of effective and timely decision making to respond to community demand or environmental events
- Risks and issues identification, escalation and resolution are clear from strategy through to delivery (and back). The Review notes that risk management is being refreshed with the intent that risks will be escalated through Council's risk framework as appropriate. This will help ensure that Council and Activity Governance has a shared view of material risks and issues and their treatments.

Recommendation

Ref.	Recommendation	Priority
R5.	<p>Activity and contract governance</p> <p>Expand the 2019 s17a recommendation to review Activity governance to ensure integration from policy through to delivery, and support effective and timely escalation and decision making in response to:</p> <ul style="list-style-type: none"> • unplanned events • changing requirements from the community • environmental change • prioritised strategic and funding drivers 	Do Now



6. Risk management

6.1. Activity risks

The LTIP has undertaken a risk review and is currently updating the risk register and ensuring that appropriate risks are captured in Councils' risk framework. This work is expected to be completed in May 2024 and then incorporated into Land Transport activity as BAU.

The following risks and issues were raised in 2019. Their status in the above mentioned risk review is noted:

Group	Issues summary	Treatment considerations	2024 Risk Register Status
Resilience	<ul style="list-style-type: none"> • Loss of knowledgeable personnel - consultant and in-house staff having significant tacit knowledge separate from the corporate explicit knowledge 	Reinforce value of current work being done to capture and maintain operating procedures	Already captured
	<ul style="list-style-type: none"> • Emergency funding – 2018 flood events and subsequent reporting suggests that Council's ability to recover from disruption may be at risk in terms of the potential impact on regional contracting capacity. 	Use collaborative working to encourage ongoing lessons learned and regional cooperation among upstream supplier and clients	Added
Cooperation and collaboration	<ul style="list-style-type: none"> • Stakeholder engagement and communications – wider organisation stakeholders not having a shared understanding of what activity is happening on the network and why, together with providing value for money/community assurance 	Improve cross service collaborative working to increase understanding of corridor activities and their value or impact on organisation outcomes	Added
	<ul style="list-style-type: none"> • Regional optimisation – lack of meaningful collaboration to optimise forward work programmes and potentially shared or competing resources and capacity (contracted or otherwise) e.g. reseals, bridges and structures and specialist sub-contractors 	Consider if increased involvement of main contractors and professional services firms will help facilitate programme optimisation	Added
	<ul style="list-style-type: none"> • Regional collaboration – there are many active transport related groups that could develop more effective value adding collaboration rather than simply sharing information e.g. line marking and lighting 	Consider which groups could be more effective in areas such as regional optimisation and if they have appropriate support to invest resources to achieve objectives	Added



Group	Issues summary	Treatment considerations	2024 Risk Register Status
Funding and Governance	<ul style="list-style-type: none"> • Governance: <ul style="list-style-type: none"> • uncertainty over Council's role in regional funding and prioritising decisions (Regional Land Transport Committee) • there is a lack of a shared understanding of executive leadership input and role in providing prioritisation and financial assurance oversight of Transport delivery • Funding: <ul style="list-style-type: none"> • an opportunity to provide assurance that transport funding streams are all being optimised • whether funding programme constrains alignment with other service's initiatives in the corridor (including those funded by PGF) • Council's land transport financial management, including those that affect commitments for borrowing, require improved communication and transparency across Council • Affordability – ongoing funding concerns about Council's ability to source funds to do all the work that is required e.g. bridge replacements and upgrades and recovery from disruption such as weather events 	Should be considered in context of Council's ongoing project to integrate accountability across all of the executive leadership team	Added
		Consider if delivery partners can assist with reporting	Issue
		An opportunity for Council's strategic partners to demonstrate value through improved planning and phasing	Already captured
		Develop the current forward works programme to include cash flow demand	Already captured
		Other than considering suppliers views on service delivery efficiencies and prioritising, this is a function of asset management and LTP planning rather than service delivery	Issue
Operations	<ul style="list-style-type: none"> • Forward works programme: <ul style="list-style-type: none"> • Currently in form of project list but will need development alongside 3waters and parks and property to identify cross service (or corridor) opportunities to align projects and programmes. There may also be 	This has already been identified as an output of improved collaboration among strategic suppliers	Issue



Group	Issues summary	Treatment considerations	2024 Risk Register Status
	<p>additional value to be gained from the supply chain through programme sequencing and bundling</p> <ul style="list-style-type: none"> increased supplier involvement for constructability and market capacity, plus agility to take advantage of new funding opportunities such as from PGF or EECA Supplier performance – integrate Land Transport supplier performance management with the strategic supplier initiative to address an historic lack of transparent and disciplined supplier performance and contract management and associated incentives / disincentives across Council Issues escalation and resolution – Client / consultant / contractor roles and input and alignment to wider Council initiative for strategic suppliers Capacity prioritisation – does CHB get priority over 'competing' clients e.g. Downer contract leadership 	<p>As above – an output of the proposed new way of working with strategic suppliers and an opportunity to consider sub-contractors and materials providers as well</p> <p>As above but will be considered in context of balancing individual contract management with programme delivery Consider how regional cooperation can be developed further to address capacity constraints</p>	<p>Already captured</p> <p>Already captured</p> <p>Already captured</p> <p>Already captured</p>

6.2. Contract risk management

The review notes that SCIP is undertaking work to better align contract delivery risks and issues to Councils risk framework. This addresses "Operations' risks identified in 2019 in the table above.

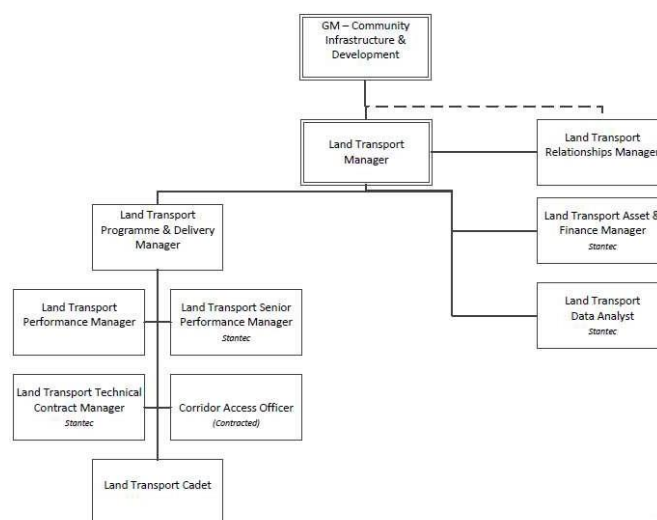
6.3. Summary findings - Risk management

This review has found the risk management workstream in LTIP is thorough and has no further comment or recommendation to make.



7. Council capability

Council's Land Transport team sits within the Community Infrastructure and Development Group. The team has changed considerably since 2019 and has recruited for new operational planning and delivery roles in response to the increased workload to be managed to deliver network recovery and Big Move #2 - Resilient Roding outcomes. The team is heavily reliant on its professional services partner (Stantec) to manage the current workload which has increased in both type and scale across projects and maintenance. The current structure is as follows:



Council's structure and reliance on effective professional services support is typical of most smaller district councils, but creates risks with regard to knowledge management, and subsequently organisation resilience which is the objective of Big Move #2 – Resilient Roding. There is the potential for capability gaps to develop due to individuals having to be across a wide brief of strategic and operational activities and issues. The team is aware of this and reports an ongoing project to capture processes and procedures to support a standardised approach to all activities.

7.1. Summary findings – Land Transport Internal Capability

Council has revised its Land Transport team roles and responsibilities and has recruited for new and refreshed roles. The review has found that this will need to be kept under constant review to meet changing requirements over time. For example:

- The different skill sets required as the Network Recovery programme rolls out through its delivery cycle from planning and funding through to commissioning
- The establishment of a work programme to deliver Big Move #2 – Resilient Roding
- The increased requirement for regional cooperation and planning to support sustainable supply chain capacity and capability



- The implementation of wider infrastructure improvement initiatives such as standardised contract management and integrated corridor planning

Ref.	Recommendation	Priority
R6.	Land Transport Internal Capability Ensure any revised Activity governance body has internal capability as a regular review item	Do following Activity and Contract governance review



8. Funding and Finance

At the time of this review Council has a three year plan (Road to Recovery) out for public consultation prior to finalisation and adoption to take effect from 1 July 2024. The 'Sorting Land Transport' section outlines three options for consideration as follows:

Lower Option One-off reduction in Land Transport maintenance	PREFERRED OPTION Central Option A planned approach to Land Transport	Higher Option One-off boost to Land Transport
<p>This option proposes a one-off \$500k reduction in funding for Land Transport (\$205,000 in rates) in Year 1, returning to normal levels in Year 2 and 3 of the plan. This reduction would be achieved by:</p> <ul style="list-style-type: none"> Reducing the road metalling budget by 20% across rural roads as a one-off. This will see a Year 1 reduction of around 8.3 kilometres of roads not being metalled. This reduction will further increase the backlog of metalling required across the district's roads and will further reduce the level of maintenance across rural roads. Reducing the resealing budget by 20% as a one-off to reduce the rate, means 6 kilometres of planned sealing will not be completed. The risk of doing this is that potholes may further increase as the sealed road surface deteriorates and the backlog of resealing work increases. 	<p>This option provides for ongoing increases in the Land Transport activity over the Three Year Plan and beyond to begin to address the growing backlog of historic maintenance, including:</p> <ul style="list-style-type: none"> 21% increases to base budgets to keep up with major inflation that reduces our buying power. Increases in drainage maintenance across rural roads. Incremental increases to gravel road metalling. Increasing resealing budget to achieve at least 7% of the network being sealed. An assumption that Council will only need to provide a 5% contribution to roading recovery costs (\$2m pa). Creation of a new budget to proactively replace retaining walls and other structures over three years. <p>While an increase overall, this option still requires reductions in a number of Land Transport activities in the short-term, including:</p> <ul style="list-style-type: none"> Halving the low-cost low risk safety programme by \$500k, in the first year and reinstating this over three years. No new footpaths or seal extensions for dust. 	<p>This option proposes a \$500k increase in funding (\$205,000 in rates) to deliver what is proposed in the Central Option but also includes the following:</p> <ul style="list-style-type: none"> Address the lack of metalling by increasing the amount across rural roads by 20% as a one-off, achieving around 8.3 kilometres of additional metalling. A one-off increase to the amount of resealing across roads by 20%, catching up on around 6 kilometres of road sealing. This will help us to achieve more than 4% of our network being sealed each year (should be achieving 7-10%).

All options continue to rely on NZTA Funding Assistance and therefore efficient financial management and reporting to ensure funds are properly utilised and build confidence in CHB's ability to deliver. Regional planning and funding to remediate networks across the region will become more critical, as will management of the subsequent flow on of additional work into the supply chain. These further illustrate the need for the new capability that has been added to the Land Transport team. Effective delivery of any increase in funded activity will benefit from the improvements from LTIP with regard to stronger asset and programme management.

8.1. Summary finding – Funding and Finance

The draft three year 'Road to Recovery' plan has yet to be finalised and approved, however it is likely that the plan for 'Sorting Land Transport' will mean additional CAPEX and OPEX funding which will increase scope and complexity of the work programme. The Land Transport team now has increased capacity and capability to effectively deliver a larger work programme utilising improved forward planning and programming underpinned by asset condition and network inspection led prioritisation. These activities will, in turn, be supported with appropriate financial reporting and controls to help ensure funding is utilised and well managed.

The review endorses the approach and has no further recommendation to make.



9. Supply market

Council secures outsourced services from a regional supply market that serves transport clients such as HBLASS councils, NZ Rail, NZTA, Napier Airport and Napier Port, as well as asset and infrastructure owners such as electricity and telecoms companies, property and open spaces clients and industry.

Council provided NZTA a summary of the current regional market that outlines additional demand from local Councils as well as NZTA through the TREC Alliance. This is included in Appendix 3.

The significant change in the supply market is the likely supply constraint that will be caused by post Cyclone and flooding remediation programmes across the region. There is a high degree of uncertainty due to funding and works programming decisions yet to be finalised which will mean that suppliers will not invest in people, plant and systems to fill the gap until there is more certainty. For many sub-contractors, trades and materials suppliers, this means no investment until a tender is awarded. At the time of this review this has been reinforced by anecdotal evidence that some suppliers are re-directing resources outside the region which will further exacerbate capacity when funding is confirmed.

As mentioned above this will likely cause a 'zero sum' game in some parts of the supply chain for the short to medium term. Council's best treatment of this risk is to consider:

- 1) Demand certainty – how can Council offer suppliers certainty in the short to medium term. The decision to extend capital works contracts by a year is a good strategy in this regard.
- 2) Regional coordination – continue to work closely with other regional clients with a view to identifying likely supply bottlenecks that could be mitigated through (for example) more direct engagement at the sub-contractor, trades or materials levels
- 3) Programming and prioritisation – how Council could manipulate its work programme across the next three years to better package, sequence or bundle activity to be more attractive to suppliers.
- 4) Preferred client – continue to invest in initiatives such as SCIP and a dedicated Contracts and Relationship manager that will help Council to be seen as a preferred client for the medium to long term.

9.1. Summary finding – Regional supply market

It is well understood that the regional supply market requires a lift in capacity to meet expected demand. However, uncertainty in terms of funding and programmes means that the market is unlikely to grow its capacity in time to meet the demand. This will likely result in a zero sum game in the market for some suppliers where clients are competing for the same resource. Council will need to consider how it can optimise its position as a preferred client in the short to medium term through creating programming and funding certainty and working closely with other regional clients.



Ref.	Recommendation	Priority
R7.	<p>Regional supply market</p> <p>Ensure the refreshed procurement strategy considers how Council can:</p> <ul style="list-style-type: none">• Create demand certainty and therefore market confidence in its work programme• Work with regional partners to smooth demand – particularly for specialist services• Build flexibility into the three year capital programme to be able to respond to supply market opportunities• Continue to build its reputation as a preferred client	Consider as part of the procurement strategy



10. Characteristics of successful delivery

The 2019 review identified the following key characteristics of successful delivery and this review finds they are still relevant and are repeated here for information purposes to support the Land Transport Improvement Programme:

2. **Agility** – the ability for Council to respond quickly to environmental, regulatory, political and economic change
3. **Flexibility** – Council's ability to re-prioritise quickly and effectively to take advantage of opportunities or respond to disruption e.g. PGF initiatives and emergency flood events
4. **Resilience** – the ability to recover from disruption whether it be as simple as managing a change in key personnel or a significant environmental or political event. This issue also highlights the ongoing need for increased capability in knowledge management
5. **Forward planning and programming** – the capability to integrate work programmes across all Council services to increase supply chain predictability and certainty plus realise 'One stop – dig once' opportunities within the road corridor. Increased predictability would also positively impact cashflow planning and capital accruals management
6. **Funding optimisation** – ensuring capability to recognise, and then realise, external funding opportunities such as for subsidised changes to LED street lighting
7. **Cooperation and collaboration** – Council cannot do this on its own and should continue to develop relationships with all of its supply chain partners to consider the impacts and opportunities for things such as:
 - a. Understanding demand on the supply chain particularly where there are seasonal or capacity constraints
 - b. Ensuring a common understanding of regulatory or user constraints and opportunities such as dedicated purpose funding or public events
 - c. Working with other regional clients to smooth demand and prevent artificial competition affecting price and availability
 - d. Working with other internal and external clients to optimise activity by place or resources such as with 3 waters, telecoms and lines companies in the road corridor



11. Delivery options

Section 17A requires consideration of some specific high level strategic options. This review has not found evidence to revise the 2019 findings which were:

Option	Review recommendation
a) funding, governance and delivery by your local authority	Retains the current model with improvements from LTIP and SCIP which is recommended
b) responsibility for funding and governance is undertaken by your local authority and delivery is undertaken by another local authority	There is no appetite for whole of service shared delivery but there may be opportunities at an activity level if regional cooperation is improved e.g. annual AWPT programmes or activity and resource alignment across recovery programmes
c) responsibility for funding and governance is undertaken by your local authority and delivery is undertaken by a CCO, wholly owned by your local authority	This review has not found any rationale for council to establish a CCO and the option is rejected at this stage
d) responsibility for funding and governance is undertaken by your local authority and delivery is undertaken by a CCO, where your local authority is a part owner (the other owner or owners might be a local authority or other organisation)	As above
e) responsibility for funding and governance is undertaken by your local authority and delivery is undertaken by some other person or agency (such as a private or community sector agency)	This assumes outsourcing planning, asset management and network management activities. This would run counter to Councils desire for a more integrated multi-service approach in the road corridor and is therefore rejected at this time, but can be revisited once council has developed its integrated delivery model further. This is not expected until after decisions are made regarding changes to water management in NZ
f) responsibility for funding and governance is delegated to a joint committee or other shared governance arrangement, and delivery is undertaken by some other person or agency	Council owns the network and therefore the complexity and risk of outsourcing funding and governance is likely to outweigh any potential benefit
g) any other reasonably practicable option for funding, governance and delivery (section 17A does not limit the options to those above)	As indicated in b) above there may be a more 'evolutionary' option that begins with regional governance rationalisation leading to a more integrated approach to some activities (e.g. lighting) and supply chain management



12. Recommended delivery model

Council currently delivers services using a model where physical works are outsourced and planning, and asset, contract, programme and financial management activities are shared across a mixed in-house and outsourced team. This model is common in New Zealand with the mix of responsibilities for engineering, contract management and financial and asset management determined in large part by the capability of the individuals in the in-house team.

In determining whether a change in delivery model would benefit Council the review notes the following key considerations:

- 1) The Land Transport team has new roles and people who are preparing to deliver a larger programme of work in a complex regional policy, funding and supply environment. Any substantive change in the delivery model, particularly to bring works services in house or disaggregate services into multiple smaller contracts, would distract the team from focusing on implementing more effective regional cooperation, network management, asset management and works delivery processes
- 2) The Land Transport Improvement Programme is addressing stakeholder concerns raised in the September 2023 ILM workshop and building capability to deliver on Elected Members Big Move #2 – Resilient Roadway. The review has not sighted any evidence that a change in the delivery model is required to deliver these benefits
- 3) The review has noted that while the Land Transport and Supply Chain Improvement Programmes are addressing a wide range of operational and management risks and opportunities, there is still a gap in Activity and contract governance to be addressed. Activity governance has become more critical as the impacts of inflation, environmental events and funding uncertainty lead to increasing prioritisation and trade-off challenges. This issue would be common to any delivery model that seeks to build responsive community, network and asset led service delivery
- 4) Regional cooperation and activity coordination will be an important tool to help mitigate the effects of funding and supply uncertainty. There is no evidence to suggest that the regional councils and NZTA are currently in a position to develop and deliver a business case for a regional or shared ownership delivery agency within the timeframes required to be effective in regional recovery programmes. Experience suggests that for the short to medium term this is best addressed through increased collaboration that (for example), shares forward works programmes with regional partners and coordinates activity based engagement with suppliers.

In conclusion, the review has not found anything that would suggest Council will benefit from a change to the core delivery model at this time. However, the Land Transport and Supply Chain Improvement programmes are necessary to build the capability and capacity required to make the current model more efficient and effective in delivering a larger and more complex work programme.



Appendix 1 – Council ILM workshop outcomes

Issues

- Perception of lack of value
- Lack of efficiency – Contractors approach to work
- Confusion or lack of clarity between response, recovery and business as usual activity
- Lack of transparency on Council / Customer interface. Unclear to community how to get things done, how do roading issues get resolved
- Prioritisation process seems disconnected from what the Community thinks is important
- User pays: are those users such as logging trucks paying their fair share
- The District has challenging geology, topography, rivers, which causes damage to road network and disruptions
- Roading infrastructure is not treated holistically within overall catchment management that roads are a part of
- Traffic management practices seem to be wasting money, e.g. low volume roads
- Reseals priorities are not clear, reseals are not happening in areas where we think they should be
- Not clear that Contractors are delivering to relevant or acceptable performance standards: quality, effectiveness, meeting requirements
- Unsure how to prioritise roads at extents of network and manage community expectations
- People that make the most noise seem to get a result as opposed to work necessarily being prioritised and completed in alignment with community needs
- Not getting on top of roadside vegetation management and associated safety issues
- Lack of efficiency with multiple contracts, for example stockpiling
- Contractor focused too narrowly when on site rather than looking at what can be done now to save money later
- Large backlog of incomplete issues: repairs, complaints
- Not clear what are our priority roads
- Centralised contractors take longer to get to furthest extents of network for repairs
- Not taking advantage of local resources and contractors
- High cost of compliance for small local contractors
- Contractors not working / communicating with local people in the community to look for more efficient outcomes, e.g. save cost of carting spoil
- Not clear to residents what level of service can be provided for what money
- Lack of understanding from the community on the difference between Waka Kotahi managed roads (State Highways) and Council managed roads, which reflects badly on Council
- Lack of clarity to community on action response times
- Street sweeping doesn't seem to be happening enough, not doing a good job, e.g. not cleaning out sumps at the right time of year, not disposing of materials appropriately
- Opinions propagate rapidly in community and not necessarily informed leading to negative perceptions
- Lack of closed loop communication on capture to close of issues
- Contractors not taking ownership of wider CHB strategies such as keeping streets clean
- Lack of proactive behaviours from Contractors
- So many big issues, not getting simple quick wins done, encumbered by bureaucracy
- Can't seem to resolve dust issues to satisfaction of some community members due to cost and bureaucracy
- Lack of transparency in reporting, e.g. closing out 'snap-send-solve'
- People look for Council contractors to do things such as verge mowing when they could be doing it themselves
- Regular disruptions on roads due to road failures after rainfall and long term instability
- Roadside spraying is erratic and in wrong areas at times
- Not clear how we prioritise road management to meet economic needs into future. Are we too reactive and short term focused

Themes



- The following high level themes were noted for these problems:
 1. Priorities
 2. Communications
 3. Resilience
 4. Efficiency
- These themes were unpacked in the following priority order:
 1. Resilience
 2. Priorities
 3. Efficiency
 4. ~~Communications~~ (this was not unpacked as a specific problem because each of the communications issues were captured within the previous 3 themes)



Appendix 2 – NZTA description of governance

Regional and Local Authorities

The responsibilities of territorial authorities (city and district councils) in relation to land transport cover local roads, footpaths and street lighting as well as local planning, road safety works and parking services. They also actively participate in land transport planning and the National Land Transport Programme funding process.

Territorial authority land transport planning

A territorial authority proposes and consults on its own transport activities, including roading, and prepares a programme of land transport activities once every three years for inclusion in the regional land transport programme.

Territorial authorities are able to consult on these activities through their long-term council community plan process. The functions of the council representative on the regional transport committee include taking part in the regional prioritisation process.

Some territorial authorities can have delegated authority to perform regional council functions in regards to transport.

Regional Councils

Regional councils, including unitary authorities, play an important role in planning and funding land transport in their areas. They approve regional land transport programmes (put forward by regional transport committees) that set out regional objectives and priorities and those activities proposed by councils in the region and the activities we propose for state highways.

The programmes must set out how it has taken account of the [Government Policy Statement on Land Transport for the period the programme covers \(external link\)](#). They also plan for and submit for inclusion in regional land transport programmes, public transport activities to be delivered in their region.

Regional councils and unitary authorities

As required by the [Land Transport Management Act 2003 \(LTMA\)](#), regional councils and unitary authorities establish and appoint members of regional transport committees. The LTMA also requires regional councils and unitary authorities to:

- approve [regional land transport strategies](#) (put forward by regional transport committees) that set out regional objectives and priorities and those activities proposed by councils in the region and the Transport Agency for state highways (a different process applies in the [Auckland region](#))*
- assess the programme as a whole against the GPS*
- make changes as required to the programme*
- prepare and adopt [regional public transport plans](#).*
- plan for and deliver public transport activities.*

Regional transport committees



These committees prepare regional land transport programmes and provide advice as requested by the regional council. For regional council's the committee members must include:

- two representatives of the particular regional council
- one representative of each local council in the region
- one representative of the Transport Agency.
- Where the regional council that is a unitary authority the committee members must include
- four representatives of the unitary authority
- one representative of the Transport Agency.



Appendix 3 – Regional market status

MARKET ANALYSIS

The current market has the same players as noted in the endorsed Land Transport Procurement Strategy of 2023, however the working environment has changed due to Cyclone Gabrielle in February of 2023. However, Council plans to increase the market that will deliver the services by changing the procurement approach within the maintenance contract. There are Tier 2 and 3 contractors who have been gaining experience in the industry and are now capable of playing a part in some of the larger contracts like road maintenance. CHBDC during the cyclone response has been encouraging tier 2 and lower contractor to participate. We have been working with tier 1 contractors to assist in developing the other contractors in the market. We are also putting on training sessions to assist lower tier contractors in navigating the systems and requirements imposed by legislation. (GETS; understating how to respond to an RFS, etc.)

COMPETITION IMPACTS

This analysis of competition impacts will be broken into 2 parts – Transport Recovery East Coast (TREC) and Local Authority work

Transport Recovery East Coast

In response to the cyclone NZTA have created the Transport Recovery East Coast (TREC) alliance which has commanded resources from all 3 of the tier 1 contractors (Downer, Higgins and Fulton Hogan). The full impact has yet to be felt due to the lack of funding certainty past June 30th 2024. The existing contract for State Highway maintenance has been included in the TREC alliance so the same or similar resources are being used to complete the work where available. The impact on CHBDC's maintenance contract is likely to be small as the type of work carried out by a maintenance contractor is vastly different to the majority of the work that being carried out by the TREC alliance.

The larger risk from TREC is to the Minor Structural Component replacement, Area Wide Pavement Treatments and Re-seals contracts as there is work that can be similar in the TREC. The risk for each of these is explored below:

1. Minor Structural Component Replacements
 - a. This work for the council generally consists of small to medium sized jobs
 - b. Available market – Higgins, Downer, Fulton Hogan and other tier 2 and 3 contractors
 - c. TREC work on structures is going to be mainly full replacements which should not negatively impact the work being done by CHBDC
2. Area Wide Pavement Treatments
 - a. Work is generally short sections of pavement replacement
 - b. Available market – Higgins, Downer, Tupore (Russell Roads) and Fulton Hogan and potentially other tier 2 and 3 contractors
 - c. TREC Work in the majority of cases, will be full road reconstruct or re-alignments which generally requires larger equipment. These works although coordinated by the Tier 1 contractors will generally involve contractors with large earth moving equipment. There is specialty equipment required in the pavement stabilization process which will introduce some competition to our local programme. Timing of the works will be important to minimize the impact of these works. Council will also look at other methods that do not require stabilization to minimize the competitive risk



3. Reseals
 - a. Between 4 to 10% of the network each year (32 to 80km per year)
 - b. The market has at least 4 local players as noted under AWPTs above
 - c. The TREC work will be project focused and timed as projects are completed while CHBDC work is seasonal and can be staggered

Local Districts

Hastings District Council

1. HDC have a 3 year extension for their maintenance contracts which includes all minor structural component replacements, some AWPT, and all reseals. Time frame for tendering these is late 2025, with award early 2026, and commencing 1 July 2026.
2. Due to the timing of the tendering of the maintenance contract there is no competitive disadvantage to the tendering of the CHBDC maintenance contract.
3. The AWPT, structural and reseals will be competitive with CHBDC but as they are wrapped up in a maintenance contract this will limit the potential market to the Tier 1 contractors who all have the resources to complete the work within their own companies. CHB is taking a wider approach and is anticipating using the Tier 2 contractors. Council will explore the possibility of combining these works with HDC works

Napier City Council (NCC)

1. NCC currently have an alliance contract with Downer which they are evaluating for its value but will likely be retendered in 2026 and awarded in the later part of the year after the completion of the tendering and award of CHB's maintenance contract.
2. As this is an alliance and includes the AWPTs, Minor Structural Component and reseal contracts in an urban area there is deemed to be minimal competitive risk to CHBDC

Wairoa District Council

1. Maintenance contract is in direct competition with CHBDC procurement as they are hoping to have a contract in place at the same time. This contract includes the re-seal contract and area wide pavement treatments. This is a bundled contract and although competitive with us for the road maintenance part of the contract does not compete for our other contracts.
2. The Minor Structural Renewals Contract in Wairoa is tendered on a yearly basis and has generally not been a concern for being a deterrent to CHB competitively as each yearly contract would be of a very specific nature and smaller than the one we would be tendering in 2026

Competition Summary

In reviewing the above Council feels that even though the amount of work has increased due to cyclone Gabrielle there will be high interest in CHBDC's procurement offerings thus making them competitive.

CHBDC Advantages

- CHBDC is only one of two councils in NZ to have a 2 star rating under the CouncilMark rating system and as such makes us a client of choice to work with.
- CHBDC has a positive, innovative and collaborative approach in dealing with our contractors and we foster a one-team approach
- We include our contractors and consultants in planning stages of the work we complete



- We will be evaluating all aspects of our tendering process prior to going to market to ensure an attractive package is presented to the market



Appendix 4 – 2019 s17a recommendations for inclusion in Land Transport Improvement Plan

2019 s17a Recommendations

#	Recommendation	Status February 2024	Recommended next steps May 2024
1	Governance: that Council review how elected representatives participate in Land Transport strategic planning, and reporting processes to ensure increased alignment with other Council strategic imperatives, and service integration.	Some work has been done but there is still a disconnect between Council prioritising and operational delivery as evidenced by the outputs of the ILM workshop in September 2023 (see Appendix 1). This review refines this recommendation to ensure stronger governance integration from Elected members through to contract delivery and performance management.	Elected Members and the Executive Leadership Team review and agree an ongoing Activity Governance model for Land Transport (and potentially other infrastructure activities).
2	Strategy: that Council review its infrastructure strategy framework to better reflect the influence of the GPS, NLTP and regional coordination for land transport	This is a work in progress through activity under the Infrastructure Strategy and the Land Transport Strategic Framework. This review recommends that this work continues	This work is underway
3	Programming: Council reinforces its strategy to increase programming alignment and constructability across all services delivering in the road corridor	This is work in progress but has been interrupted due to resources being prioritised to the Cyclone response. The LT team are working with the maintenance contractor on an asset condition led prioritising tool. This approach will be extended to other corridor activities, which together with re-commencing monthly liaison meetings will strengthen corridor planning and delivery. This review recommends that this work continues and notes that the Supply Chain Improvement Programme (SCIP) will offer additional resource and support.	Management to confirm this is in the scope of work for the Supply Chain Improvement programme (SCIP)



#	Recommendation	Status February 2024	Recommended next steps May 2024
4	Knowledge Management: the Land Transport team continues to prioritise its initiative to capture service delivery procedures and pass learnings through to other services. Consider using this process to develop a standardised approach to role based knowledge capture for all services.	<p>Although there has been some technical initiatives (such as for an Anti-flush seal treatment in January 23, current staff turnover and changes have highlighted a lack of well documented and regularly reviewed systems and processes.</p> <p>The current Land Transport Improvement Programme has process mapping and review within its scope and this review endorses this work being prioritised to support new staff and contractors manage efficient and effective service delivery.</p>	Already in scope for the Land Transport Improvement Programme – processes and process improvement workstream
5	Performance management: Council considers how its new performance framework for internal teams and strategic suppliers will capture Land Transport and other services contribution to community outcomes	<p>Work is underway across all infrastructure contracts to review and refresh performance KPIs across a common framework. This work is prioritised under the SCIP programme in order to meet Big Move #1 – Accountable Delivery.</p> <p>This review endorses the approach.</p>	Already underway through the Supply Chain Improvement Programme – standardised performance framework
6	Strategic alignment: Council continues to reinforce Project Thrive objectives and values with its supply chain partners as the anchor for decision making, relationship management and performance management	<p>The work being undertaken under Performance Management (see above) includes Strategic Goals and Broader Outcomes in the framework together with lead indicators that will be reported through a refreshed contract and activity governance structure (once developed).</p> <p>This review endorses the approach</p>	Already addressed through alignment of activities to The Big Moves



#	Recommendation	Status February 2024	Recommended next steps May 2024
7	Procurement strategy: Council expands scope of the Land Transport procurement strategy to include all infrastructure services and address: <ul style="list-style-type: none"> Regional cooperation Regional supply chain management – 2nd/3rd tier supply to be managed including securing resource commitments Rationalising all services delivery in the road corridor Social procurement initiatives Cost and affordability Supplier relationship management and contract management Flexible approach to resourcing engineering and professional services during contract terms Approaches for minor or major CAPEX 	<p>The SCIP programme has stronger coordination across all activities in its scope and will address this following implementation of Stage 1 – Building Confidence and Assurance.</p> <p>In the interim the following have been actioned by the LT team:</p> <ul style="list-style-type: none"> Regional cooperation Social procurement initiatives Cost and affordability Supplier relationship management and contract management Flexible approach to resourcing engineering and professional services during contract terms 	<p>Addressed in the draft Procurement and Contract management Policy currently going through a final review and approvals process with ELT</p>
8	Regional supply chains: Council champions regional procurement and supply chain forums to expand scope of discussions to include all infrastructure services	<p>This remains as an ongoing opportunity with the impact of the TREC Alliance on regional resources highlighting the importance of a regional shared understanding to avoid ‘zero-sum’² competition due to (for example) clients and contactors competing for a limited sub-contractor or materials resource.</p> <p>This review recommends that Council consider this further.</p>	<p>To be considered by management at both an Activity and whole of infrastructure level. Also addressed through LTIP updated procurement strategy</p>

² What Is The Supply Chain Zero-Sum Game?

The zero-sum game is a situation where one party’s gain is entirely counter balanced by another party’s losses.

<https://suppéco.com/supplychains-zero-sum-game/>



#	Recommendation	Status February 2024	Recommended next steps May 2024
9	Corridor Planning: in addition to integrated procurement (recommendation 6), consider how to strengthen oversight of planning, programming and integrated activities in the road corridor	This review recommends that this is incorporated as a sub-set of Recommendation 6 above. It is essentially the operational delivery of the strategic outcome.	Addressed under 6) above
10	Regional cooperation: Council consider the opportunity to increase its leadership in infrastructure regional cooperation and if it wishes to prioritise regional cooperation and resource accordingly	This review recommends that this is incorporated into Recommendation 8 above. It describes one of the operational options to achieve regional demand management.	Addressed under 8 above
11	Competency development: Council consider the development of a professional services competency (capability and capacity) framework that informs future hiring or outsourcing decisions.	<p>There are two aspects of this recommendation:</p> <p>3) The Land Transport Improvement project has resulted in new roles and refreshed position descriptions to help ensure the right capability and capacity to deliver Big Move #2 – Resilient Roading</p> <p>4) The longer term approach is that the third stage of the SCIP programme is a whole of infrastructure view of likely future capability and capacity requirements and how best to meet them (e.g. insource or outsource)</p> <p>This review recommends that this work continues.</p>	Combine this with 4) above – knowledge management

April 2024

Strategic Risk Overview

Land Transport Improvement Plan Risk Assessment

Background

Central Hawke's Bay District Council (CHBDC) has developed and is implementing a Land Transport Improvement Plan. An action in the plan is to conduct a risk assessment. This report provides a strategic overview of the risk assessment.

Risk Process for Land Transport

The risk assessment for the Land Transport Improvement Plan used the following process:

- The CHBDC Risk Framework was reviewed.
- The CHBDC Risk Appetite was reviewed and this identified that for Durable Infrastructure there is a Low appetite for risk.
- The Big Moves were reviewed and Accountable Delivery and Resilient Roothing are the Moves impacted by the identified risks.
- The risks were identified by using a combination of document review, Brainstorm Sessions, Structured Interviews.
- The identified risks were prioritised using the Risk Framework.
- Then existing internal controls were confirmed and treatments were identified for the risks.
- The next steps are at the end of the report.

Land Transport Risk Overview

The two following tables summarise the numbers about the risks identified, analysed and prioritised. There are 81 risks identified. They are classified according to risk cause as either an external risk or an internal risk. For external risks, CHB uses the PESTLE categories of Political, Economic, Social, Technological, Legal and Environmental risks. The internal risks have been categorised into People, Asset Management, Contract Management, Internal Systems and Leadership.

The risks have been prioritised using the Risk Matrix in the Framework which classifies risk as either Extreme, High, Medium or Low. Given that the risk appetite is low for this activity, the Extreme rated risks are the highest priority for implementing effective treatments and controls. The Extreme risks are highlighted in red in each table.

Two thirds of the risks are external to CHBDC. The causes of External risks are normally not within the control of CHBDC. Treatments for these risks will rarely decrease the probability of them happening. They will normally be treated by collaboration with external entities, the quality of asset plan execution, or provisioning contingencies. For Internal risks, both the cause and impact are normally within the control of CHBDC. Pre-existing organisational controls are in place to reduce the threat of these risks. Assurance is required to ensure that they are working effectively. The Council already has a Risk and Assurance Committee for this purpose.

90% of the Extreme risks are external to CHB DC. Half of the Extreme risks have an external

Environmental cause e.g. earthquake, drought, flooding, forestry slash, changes to rivers. These risks primarily impact on service delivery and financial capacity. The Economic and Political risks come from continued inflation, supply chain delays, local market inefficiencies and Central Government policy. These are key categories of risk management requiring attention for the Land Transport Improvement Plan. The risks which have internal causes and are rated as Extreme relate to Health and Safety practices which might result in death.

54 External Risks

Risk Category	LOW	MEDIUM	HIGH	EXTREME	TOTAL
Environmental	0	0	0	14	14
Economic	1	1	3	5	10
Political	0	3	11	3	17
Social	0	4	0	3	7
Technology	0	0	4	0	4
Legal	0	2	0	0	2

27 Internal Risks

Risk Category	LOW	MEDIUM	HIGH	EXTREME	TOTAL
People	0	8	0	1	9
Asset Management	0	4	0	1	5
Contract Management	1	4	0	1	6
System	0	5	0	0	5
Leadership	2	0	0	0	2

Next steps

The next steps for risk management in the Land Transport Improvement Plan are:

- Adopt the S17A Land Transport Report which has incorporated the results of the Land Transport risk process.
- Complete the Procurement Strategy, Plans & Processes using the risk process results to inform the approach to be taken.
- Continue with the current Contract Management Process Improvements to support treatments and controls of the risks.
- Ensure that there is resilience in the Asset Planning and Prioritisation processes to mitigate the impacts of the extreme external risks.
- Ensure that there is effective Regional Collaboration to mitigate the impacts of the extreme external risks.
- Deepen the analysis of risks in two areas. Namely have all the Internal Leadership risks been identified and has the high number of High threat external political risks with the potential to move to Extreme threat been well enough assessed.
- The Risk and Assurance Committee considering a regular monitoring report on Land Transport risk.

7.4 FREEDOM CAMPING BYLAW: HEARING OF SUBMISSIONS

File Number:

Author: Logan McKay, Customer and Compliance Manager

Authoriser: Doug Tate, Chief Executive

Attachments: Attachment 1 - Draft Statement of Proposal (under separate cover)
Attachment 2 - Index of Submissions (under separate cover)
Attachment 3 - All submissions (under separate cover)
Attachment 4 - Analysis of Survey Responses by Sage Planning (under separate cover)
Attachment 5 - Schedule of Hearings (under separate cover)

RECOMMENDATION

1. That the submissions on the Proposed Freedom Camping Bylaw be received.
2. That Council thanks submitters for taking the time to provide feedback on the proposed Freedom Camping Bylaw and thank them for their submissions.

PURPOSE

The purpose of this report is to present submissions to the Proposed Freedom Camping Bylaw to Council and to introduce submitters who wish to present oral submissions to Council. significance and engagement

SIGNIFICANCE AND ENGAGEMENT

This report has been assessed as of some significance, noting that Council is conducting hearings for a Bylaw, a notable legal tool available to Council for the operation of its activities and services.

BACKGROUND

Central Hawke's Bay has become increasingly popular following COVID-19 as a freedom camping destination. Due to the increase in popularity, our coastline in particular has received a significant increase in visitors over the main camping season (November to April). The increase in the number of visitors has also led to an increase in the negative impacts that freedom camping has on Central Hawke's Bay. The district currently does not have a freedom camping bylaw in place to help manage where, when and how visitors and locals alike can freedom camp. In the absence of a Bylaw, Council also does not have a documented Policy to manage freedom camping either.

In 2022, through the Thriving Places and Spaces Consultation Council adopted the Central Hawke's Bay Reserves Management Plan which covers 80 reserves (designated under the Reserves Act 1977 (Reserves Act)) totaling over 228 hectares. The purpose of the Reserve Management Plans is to ensure that reserves are managed consistently, and that the natural, recreational, historical and cultural values are protected. Through this consultation, Council also adopted a [Camping Strategy 2022](#), with the following strategic goal:

Camping is in our DNA – the Tamatea Way, looking after locals, welcoming visitors, offering mountains to beach opportunities and protecting our natural environments.

Freedom Camping Bylaw

Within the Camping Strategy there are five strategic priorities, of which the first is 'Developing a camping framework that enables and promotes responsible camping throughout the district'. One of the short-term actions out of this strategic priority was to develop a Freedom Camping Bylaw.

The purpose of adopting a Freedom Camping Bylaw is to enable and regulate freedom camping in the district while ensuring that we are meeting our obligations under the relevant legislation – the Local Government Act 2002 (LGA), the Bill of Rights Act 1990 (BRA) and the Freedom Camping Act 2011 (FCA).

In addition, on December 7, 2023, the Self-contained Motor Vehicles Legislation Act 2023 came into force. Changes were made to the Plumbers, Gasfitters and Drainlayers Act 2006 and the Freedom Camping Act 2011 to establish a new regulatory system for certifying and registering self-contained vehicles used for freedom camping. The changes were made to strengthen the rules around freedom camping and protect Aotearoa New Zealand's natural environment.

A bylaw is not designed to inhibit the ability to freedom camp, it is to clearly articulate where you can freedom camp in our district and where you are unable to freedom camp, if the negative effects that freedom camping may have on a particular area(s) which outweighs the benefit of enabling freedom camping.

A Freedom Camping Bylaw is not intended to override or replace other legislation. Regulations to manage where locals and visitors can enjoy freedom camping in our district will not resolve all of the issues that have been raised and does not give us powers to deal with certain situations, such as where the New Zealand Police or other organisations have authority and jurisdiction to intervene. Our compliance team have a strong relationship with our local police and work closely on issues that are raised through freedom camping where we may need their support, and this will continue if a Freedom Camping Bylaw is adopted.

Draft statement of proposal

With changes to the legislation, and the increase in visitors and locals wanting to enjoy freedom camping in our district, Council sought the support of the Ministry of Business Innovation and Employment (MBIE), through the Freedom Camping Transition Fund to assist with the preparation of a Freedom Camping Bylaw. Council was successful in receiving funding through the 2022/2023 and 2023/2024 funding rounds to assist with the development and implementation of a Freedom Camping Bylaw.

This fund enabled Council to, over the past two summer season, employ camping ambassadors to promote responsible freedom camping across our district and also to prepare a draft Freedom Camping Bylaw.

A draft statement of proposal was presented to Council for adoption on 19 October 2023. At this meeting, Council resolved *to adopt the draft Statement of Proposal for Freedom Camping Bylaw with amendments*. The draft Statement of Proposal adopted by Council for public consultation can be found in **Attachment 1**.

DISCUSSION

This section of the report outlines early engagement and the steps for today's hearings.

Engagement and feedback on the proposed bylaw was initially sought directly from a number of key partners and stakeholders in our communities ahead of the draft statement of proposal being adopted, including:

- Mana whenua.
- New Zealand Motorhome Caravan Association (NZMCA).
- Community groups and commercial campgrounds.

The pre-consultation period started in July 2023 with a hui with Mana whenua. We heard strong views from Mana whenua around their right to camp along the coastline as they have done so for generations and ensuring that this continues for generations to come. Mana whenua used the Pourerere summer camping season as an example of how it can work when Mana whenua and Council work in partnership. This partnership has been in place to ensure that freedom camping is managed through the summer seasonal period (in lieu of a bylaw) and is unique as we do not have this arrangement anywhere else across our coastline.

Several further hui and engagements, as listed below, were hosted to discuss with community and community representatives across the District, before and after the draft statement of proposal was adopted.

- Kaitiaki Hui, 17th August 2023
- Kaitiaki Hui, 23rd August 2023
- Mana whenua, 24th August 2023 (Teams)
- Mana whenua, 1st September 2023 – group email with draft statement of proposal.
- Pourerere Campground, 25th September.
- Waipawa Campground, 26th September.
- New Zealand Motor Caravan association – 4th and 9th October.
- Pourerere Camping Committee, 11th October 2023.
- Mana whenua, 19th October 2023 – additional group email adoption of draft statement of proposal.
- Kairakau Lands Trust committee Chair, 25th October 2023.
- Waipawa Rugby Club, 10th November 2023.
- Takapau Rugby Club, 10th November 2023.
- Pourerere Camping Committee, 16th November 2023.
- Te Paerahi Community, 20th November 2023.
- Kairakau Development Society, 27th January 2024.

A period of public consultation on the statement of proposal adopted by Council started on 20 October 2023, and concluded on 31 January 2024. A total of 533 submissions were received over this period. These submissions can be found in **Attachment 3**. Since the close of submissions officers have been analysing the submissions received as well as preparing draft recommendations. A summary of submissions can be found in **Attachment 4**.

As per the special consultative procedure in the Local Government Act 2002, Council must provide an opportunity for submitters to present their views to Council in a manner that enables spoken interaction between the person and the local authority. Any person who wishes to present their views must be given a reasonable opportunity to do so, and is informed about how and when they may take up that opportunity.

At the time of writing, a total of 13 submitters have confirmed their continued willingness to speak to their submission. A Schedule of hearings can be found in **Attachment 5**, and a copy of the written submissions from those submitters can be found at the bottom of **Attachment 2**.

Today's hearings marks an important step in the development of the Bylaw, ahead of the next steps being the confirmation of recommendations by Officers for Council to deliberate on anticipated at this time for the meeting of 27 June 2024.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made.
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter.
- Any decisions made will be in conjunction with the section 11 of the Freedom Camping Act and Sections 83 and 86 of the Local Government Act 2002.

NEXT STEPS

Following this meeting, officers will finalise their recommendations based on the feedback heard in written and oral submissions, and prepare deliberations reports across the different topics contained in the bylaw.

It is intended that Council will then, at its meeting on 27 June 2024, receive officers' recommendations and deliberate on the submissions received, before making final decisions on a Freedom Camping Bylaw.

RECOMMENDATION

1. **That the submissions on the Proposed Freedom Camping Bylaw be received.**
2. **That Council thanks submitters for taking the time to provide feedback on the proposed Freedom Camping Bylaw and thank them for their submissions.**

8 CHIEF EXECUTIVE REPORT

No reports.

9 DATE OF NEXT MEETING**RECOMMENDATION**

THAT THE NEXT MEETING OF THE CENTRAL HAWKE'S BAY DISTRICT COUNCIL BE HELD ON 27 JUNE 2024.

10 PUBLIC EXCLUDED BUSINESS**RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATION**

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
10.1 - Public Excluded Resolution Monitoring Report	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
10.2 - Three Waters Consultant Panel Procurement	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good

	<p>unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>reason for withholding would exist under section 6 or section 7</p>
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11 TIME OF CLOSURE